

ORDER

DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

2750.2

1/3/84

SUBJ: VOUCHER EXAMINATION

1. PURPOSE. This order transmits and implements Order DOT 2750.1A, Voucher Examination Manual, as appendix 1, and provides voucher examination statistical sampling procedures as appendix 2.
2. DISTRIBUTION. This order is distributed to all FAA accounting offices.
3. CANCELLATION. This order cancels FAA Order 2700.17, Voucher Examination, dated October 5, 1972, and FAA Order 2750.1, Use of Statistical Sampling Procedures in Examination of Vouchers, dated April 17, 1967.


for E. M. Keeling
Director of Accounting

Distribution: FAA accounting offices; GAO-1(3);
M-80(2); FAA-15

Initiated By: AAA-400



U.S. Department of
Transportation

Office of the Secretary
of Transportation

FAA Order 2750.2
Appendix 1
1/3/84

ORDER

DOT 2750.1A

6-21-83

Subject: VOUCHER EXAMINATION MANUAL

1. PURPOSE. This order establishes Department of Transportation policies and procedures pertaining to the examination and payment of vouchers, invoices, and claims for payments presented to the Department.
2. CANCELLATION. DOT 2750.1, VOUCHER EXAMINATION MANUAL, of 9-22-72.
3. SUPPLEMENTATION. This manual may be supplemented provided the supplementation is not inconsistent with its provisions. A copy of each supplement will be provided to the Director of Financial Management (M-80).

FOR THE SECRETARY OF TRANSPORTATION



Robert L. Fairman
Assistant Secretary for Administration

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6-21-83

CHAPTER 1. GENERAL

1. PURPOSE. This manual establishes Departmental policy for the examination and certification of vouchers and invoices, except payrolls, so as to effect prompt and proper payment of liabilities and to assist in good administration of DOT appropriations and funds by providing a vital link in the system of internal control over payments.
2. RESPONSIBILITIES OF ACCOUNTING OFFICERS. Each accounting officer shall provide for an adequate and economical system for examining vouchers and invoices prior to their certification for payment. The system of examination shall be:
 - a. Organized and conducted in a manner which will assure that expenditures are properly authorized and are not in contravention of laws, regulations, or administrative limitations applicable to appropriations or funds to be charged.
 - b. Coordinated to prevent duplication of work or unnecessary delay in the payment of vouchers and invoices. Documents should be subject to only a single examination, if possible. Prompt payment as required under the Prompt Payment Act (PL 97-177) and as implemented by OMB Circular A-125 and this manual will reduce or eliminate the necessity to pay interest penalties. Additionally, it should reduce correspondence, prevent excessive record keeping and maintain good relationships with vendors.
3. ROLE OF THE VOUCHER EXAMINER.
 - a. General. The voucher examiner, through the process of examination and certification has, in addition to a responsibility for examination for the propriety and legality of payment, a responsibility for providing an effective service to the Department and the public in carrying out the Departmental policy of prompt payment and for promoting the programs of DOT by effecting the administrative decisions of management.
 - b. Reference Material.
 - (1) The voucher examiner, in order to properly carry out his/her responsibilities, must have ready access to the following material:
 - (a) DOT and implementing operating administration directives dealing with accounting, voucher examination, travel and procurement.

- (b) Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies (TFRM).
 - (c) United States Code (USC).
 - (d) Decisions of the Comptroller General of the United States.
 - (e) GAO's Policy and Procedures Manual for Guidance of Federal Agencies.
 - (f) Standardized Regulations (Government Civilians, Foreign Areas) and the Foreign Affairs Manual of the Department of State.
 - (g) Joint Travel Regulations of the Department of Defense.
 - (h) Code of Federal Regulations (CFR).
- (2) The above are the essential tools of the voucher examiner. The examiner's familiarity with them should be current and generally extensive depending on their assignments so that they may perform an adequate examination.

c. Examination of Vouchers.

Effective internal control over disbursements requires the examination and approval of vouchers before they are certified for payment. The principal objectives of the examination of a voucher are detailed in paragraph 4, Chapter 2 of this manual.

4. CERTIFYING OFFICERS.

- a. General. An authorized certifying officer is an employee who has been designated to certify voucher schedules for payment and whose authorizations and signature cards are on file in the Treasury Department disbursing center to which voucher schedules are submitted for payment. Authority to designate certifying officers has been delegated to the Assistant Secretary for Administration for OST (49 CFR 1.59), and to the head of each operating administration (49 CFR 1.45). Redlegation of this authority to the chief of each accounting office is encouraged. A certified copy of the delegation and each related redelegation, along with specimen signatures of each person given the authority to designate certifying officers, will be sent to the servicing Treasury disbursement center (1 TFRM 4-2040.30c). Certifying officers in some operational environments may, of necessity, also function as voucher examiners. However, a certifying officer may not certify voucher schedules pertaining to vouchers

which he/she has also examined in his/her role as voucher examiner. Consideration should be given to the designation of chief accounting officers and other supervisory accounting personnel as certifying officers to certify cases involving greater administrative judgement. The basic directive on the role of certifying officers is 1 TFRM 4-2040.

b. Designation of Certifying Officers.

(1) Signature Card.

- (a) SF 210, Signature/Designation Card for Certifying Officers, will be used for the simultaneous designation and authentication of the signature of employees selected to act as authorized certifying officers in accordance with 1 TFRM 4-2040. The employee may be designated to certify all types of vouchers or may be limited to certain types as specified on SF 210. The SF 210 is self-explanatory as to preparation, except that the place of payment should be the location of the disbursing office to which voucher schedules will be certified for payment. If a certifying officer is required to certify to more than one disbursing office, a separate SF 210 should be prepared for each place of payment.
- (b) The corresponding Agency Location Code (ALC) should be entered on the face of the SF 210 just above the information on the "bureau or office" line.
- (c) The SF 210 shall be signed by the designated authorizing official and forwarded to the appropriate disbursing officer (D.O.).
- (d) In order for the servicing disbursing officer to maintain current files of SF 210's, an annual listing of certifying officers should be submitted at the end of each fiscal year to the servicing disbursing officer (1 TFRM 4-2040.30h).

(2) Letters-of-Credit.

- (a) A minimum of one primary and one alternate certifying officer should be designated in each applicable accounting office to certify letters-of-credit. Even though the individual(s) selected have previously been designated to certify all classes of vouchers, a separate designation is required for letters-of-credit. In completing the

SF 210, the class of vouchers to be certified will be described as "Letter-of-Credit."

- (b) The certifying officer who signs the letter-of-credit and thus certifies that payments authorized by the letter-of-credit are correct and proper has the same responsibility for propriety of the payment as for an expenditure by a check drawn on the Treasurer of the United States. The Standard Form 1194, Authorized Signature Card for Payment Vouchers on Letter-of-Credit, submitted by the recipient organization, must also be signed by the authorized certifying officer prior to forwarding to the Treasury Department. Therefore, if the recipient's designated official who certifies as to the authenticity of the persons authorized to sign payment vouchers is unknown to the DOT certifying officer, the certifying officer should request documentation of the designating official's authority. In any event, responsibility for signatories rests with the certifying officer.
- (3) Special Certifying Officers. A certifying officer should be designated in one accounting office, in those administrations with field accounting organizations, to act in an administration-wide capacity in certifying payments from accounts 20X1807, Refund of Moneys Erroneously Received and Covered, and 20X6133, Payment of Unclaimed Moneys (T). However, when the receipt and payment function is decentralized, a certifying officer may be designated at each field location.
- (4) Certification. Each original voucher or invoice examined shall be initialed and dated by the voucher examiner. Date stamp the examiner's name and the words, "Passed for Payment" on the voucher or invoice. Initial by the name. (This requirement may be waived for those accounting offices that have established a mechanized system for the payment of recurring fixed and variable charges, such as utilities, provided that controls have been established to prevent duplicate payments and to insure that payments are made only to authorized vendors.) Only the original of SF 1166, Voucher and Schedule of Payments, shall be signed and dated by a certifying officer. Show the name of the certifying officer typed or stamped below the signature.

- (5) Revocation or Amendment of Authorizations. When the authorization of a certifying officer is amended or revoked, or his/her services are terminated, the appropriate disbursing officer shall be promptly notified by letter or other appropriate written notice, signed by the chief of the accounting office, indicating the effective date of the termination, revocation, or amendment. Authorizations to certify vouchers will be deemed to be in effect until official notice of amendment, revocation or termination has been received by the disbursing officer.
- (6) SF 1081 Certification. Accounting officers may administratively designate employees as certifying officers to certify SF 1081 transactions. Notification to the Treasury Disbursing Officer of the designee is not required. The accounting officer should insure that designated employees are familiar with the procedures and responsibilities for completing interagency business transactions. Treasury Department regulations in this area can be found in 1 TFRM 2-2500.

c. Responsibility and Liability of Certifying Officers.

- (1) General Responsibility. The Certifying Officers Act (31 USC 3528) holds authorized certifying officers individually and personally responsible for their acts with respect to the certification of vouchers for payment. Their certification of vouchers is not a ministerial act, but is one to be performed or not, according to the judgment of the individual based on the facts establishing the legality and propriety of the claim. Certifying officers shall not be arbitrary, capricious, or dilatory in their consideration and disposition of vouchers presented for certification.
- (2) Proper and Legal Payment. The certifying officer shall be:
 - (a) Held responsible for the existence and correctness of the facts on the voucher or invoice and the supporting documents, for the legality of the payment, and for the correctness of the computations.
 - (b) Held liable for and required to make good to the Government the amount of any illegal, improper, and incorrect payment resulting from any false, misleading or inaccurate certification as well as for any payment prohibited by law.

(3) Scope of Liability.

- (a) Certifying officers may avoid liability for erroneous payments by stating they were not in a position to personally determine the facts or that they depended on the statement of approval of others, if it can be shown that neither they nor the others upon whom they relied, in the reasonable exercise of care and diligence, could have known the true facts.
- (b) He/she will not be held pecuniarily liable for payments under claim settlements by the General Accounting Office except for determining sufficiency of funds to cover the payment.
- (c) He/she will not be held liable for illegal, improper, or incorrect payments passed without examination under an approved statistical sampling plan.
- (d) He/she will not be held liable for overpayments for transportation requests or Government bills of lading due to the use of improper rates, classification, or failure to make proper deductions under equalization or other agreements.
- (e) Persons designated as SF 1081 certifying officers are advised that payment of a document where a claim for refund is made due to dispute of part of the billed amount does not constitute a violation of antideficiency responsibilities (1 TFRM 2-2540.90).

(4) Right to Advance Decision.

A certifying officer has the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment on any voucher presented for certification (31 USC 3529). A request for such a decision must be accompanied by a copy of the voucher and of each supporting document involved. For items of \$25 or less, see paragraph 4d(1)(a) below.

(5) Certifying Officers' Responsibilities Under DOT's Uniform Payroll System (UPS).

- (a) The Federal Aviation Administration (FAA) is currently responsible for generating payments to Departmental employees paid under the Uniform Payroll System. The pay is calculated centrally at the Mike Monroney

Aeronautical Center (AAC) in Oklahoma City, Oklahoma. Supporting documentation is retained at geographically dispersed accounting offices. Facts from these documents are entered in data entry systems at each of the offices and transmitted to the central computer. A single magnetic tape check issue file and Voucher and Schedule of Payments, SF 1166, are prepared at the central site where a certifying officer certifies the entire payroll.

- (b) The General Accounting Office has stated that one major factor to be considered in relieving certifying officers who use automated accounting systems is whether the certifying officer received assurances that the computerized system controls are operating effectively.
- (c) FAA's guidance to the UPS certifying officer is contained in FAA Order 2730.9, Uniform Payroll System Operations Manual.
- (d) The people at the decentralized accounting offices who negligently authorize erroneous transactions to be included in the central payment are not liable under the provisions of 31 USC 3528; however, they will be subject to disciplinary action under other legislation and regulations. In addition, the certifying officer who is held liable for an erroneous payment may be entitled to institute collection action against the recipient of the erroneous payment.

d. Submission of Doubtful Claims.

- (1) When a certifying officer has determined that a voucher or invoice cannot be certified due to a doubtful question of law or fact and the accounting office (including the next highest level accounting office in those operating administrations with field accounting offices) cannot resolve the question, the case shall be processed in accordance with the following criteria:
 - (a) Doubtful claims of \$25 or less (except those required by statute, by regulation, or by Comptroller General Decision to be settled outside the Department) shall be submitted to the head of the operating administration or his designee who is authorized to approve or render a final decision. (For example, such claims involving OST shall be submitted to the Chief, Accounting Operations

Division, for review and decision.) A copy of such decision shall be attached to the voucher as supporting documentation for disposition of the claim (Comptroller General letter B-161457 of 7/14/76).

- (b) Doubtful claims in excess of \$25 shall be submitted to the Comptroller General for decision or to the GAO Claims Group for adjudication and will be forwarded by letter signed by a certifying officer and supported with the signed original voucher and other related documents. The covering letter will explain in full all the facts involved, any action taken, reason(s) why the voucher is considered doubtful, recommendations regarding payment, citation to the appropriation to be charged in the event the claim is approved for payment, and a statement that the voucher has not been paid.
- (c) The employee, vendor, contractor, or grantee whose voucher has been forwarded to the Comptroller General for decision or the GAO Claims Group for adjudication will be promptly informed of the action by letter which will include the complete address of the Comptroller General or the GAO Claims Group and advise that any further inquiries be directed to the appropriate address.
- e. GAO Audit of Accounts. The GAO conducts periodic site audits of financial transactions in the process of the settlement of the accounts of certifying officers. Exceptions are taken to payments deemed erroneous.
- f. Notice of Exception.
 - (1) General. Where an exception is taken by the General Accounting Office involving the liability of a certifying officer, the reasons are stated on a Notice of Exception, GAO Form 1100. Before a formal exception is taken, the GAO auditors will usually try to resolve the questions through informal inquiry and discussion. The informal inquiry process is intended to result in a reduction in the number of formal Notices of Exception issued by the General Accounting Office. The informal inquiry process is discussed in Section 63, Chapter 7, Title 3, GAO's Policy and Procedures Manual for Guidance of Federal Agencies (3 GAO 63).

- (2) Issuance of Exceptions. Unless otherwise requested by the Department, the General Accounting Office forwards the original and four copies of the GAO Form 1100 to the administrative agency at the location where the records are kept. The original and two copies are for the certifying officer (3 GAO 61.2a(1)).
- (3) Filing. Upon issuance by the General Accounting Office of a Notice of Exception or an Informal Inquiry (see 3 GAO 63), it is the responsibility of the accounting officer having possession of the original voucher to securely attach a copy of the Notice of Exception or Informal Inquiry and all related replies or correspondence to such original basic voucher. This documentation should remain permanently attached when the voucher is sent to a Federal Records Center for permanent filing.
- (4) Replies. The replies to exceptions should be given prompt attention and stated in the space provided on the GAO Form 1100. The original, with the reply stated thereon, after being administratively verified by the head of the accounting office, will be signed by the responsible certifying officer and returned promptly to the General Accounting Office audit organization which issued the exception. If the responsible certifying officer is no longer available, the reply should be signed by any current certifying officer and should include the last known address of the certifying officer against whom the exceptions were taken.
- (5) Acknowledgment of Replies. When the General Accounting Office finds that a reply to an exception is satisfactory it will so notify the responsible officer. If they are not satisfied with the reply, a revised exception will be issued explaining why the reply was unsatisfactory.
- (6) Reporting Repayments.
 - (a) Report all repayments for exceptions and informal inquiries to the GAO audit group from which the exception or inquiry was received. The report should show a reference to amount collected and D.O. symbol and either the certificate of deposit or the number and date of the voucher and schedule of payments on which the collection was made.

- (b) If the indebtedness is liquidated by a single repayment, the repayment will be reported on the original GAO Form 1100 or if that form has been returned, on a copy of GAO Form 1100, or by letter with reference to number and date of the applicable GAO Form 1100.
 - (c) If the indebtedness is to be liquidated by installment, the repayment will be reported twice yearly by letter as of the end of June and December and within 15 days after the end of the reporting period.
- (7) Requesting Assistance of GAO to Recover Erroneous Payments. When administrative efforts to collect indebtedness on account of exceptions have been exhausted, the assistance of GAO may be requested. Such requests should be submitted by the chief of the accounting office to the GAO Claims Group, through GAO auditors who issued the exception.
- g. Relief of the Certifying Officer.
- (1) General. If the payment was otherwise proper, the Comptroller General may relieve a certifying officer of liability under an exception whenever he/she finds that (a) the certification was based on official records and the certifying officer did not know and could not have ascertained the facts by reasonable diligence and inquiry, or (b) that the liability was incurred in good faith, the payment was not contrary to statutory provision, and the United States received value for the payment.
 - (2) Requests for Relief. A certifying officer has the right to request relief from an exception by presenting the facts of the case in writing. Such a request is not made until all efforts to collect have failed. Submit the request to the GAO auditors who issued the exception. If GAO declines to grant relief, the General Counsel may be requested to develop a private bill sponsored by DOT to relieve the certifying officer.

CHAPTER 2. GENERAL EXAMINATION PROCEDURES

1. GENERAL. This chapter covers the basic examination procedures common to all vouchers and invoices and the control and flow of documents. Examination procedures peculiar to specific types of payments are contained in subsequent chapters.
2. STATISTICAL SAMPLING.
 - a. In accordance with Public Law 88-521, dated August 30, 1964, as amended by P.L. 93-604 approved January 2, 1975, the use of adequate and effective statistical sampling procedures is permitted in the examination of disbursement vouchers within the dollar limitation established by the Comptroller General. The current maximum dollar limit is \$750 (Comptroller General Letter B-153509, dated 11-20-80). Each Administration may set its own limit within the \$750 limitation.
 - b. Where statistical sampling is being considered, reference should be made to Chapter 5, Title 3, General Accounting Office Policy and Procedures Manual for Guidance by Federal Agencies (3 GAO 45-51), which contains the principals and standards that must be followed by all agencies using statistical sampling systems.
 - c. Under the law, a certifying officer acting in good faith and in conformity with the statistical sampling procedures shall not be held liable for any losses subsequently discovered in vouchers not audited due to their not being in the sample selected for audit. In addition, the Comptroller General is required under the law to evaluate the adequacy and effectiveness of the statistical sampling procedures as part of the Comptroller General's review of the accounting system.
3. PAYMENT DOCUMENTS.
 - a. General. Prior to payment of a liability, an original invoice, voucher or other statement of a debt payable under laws and regulations must be received and properly supported by required documents. Vendors and others furnishing materials or services should submit billings on their own invoice form except where the use of a prescribed voucher form is mandatory or the vendor elects to use a standard voucher form such as SF 44, Purchase Order-Invoice-Voucher.

b. Assistance to Vendors and Others. The giving of aid by an employee other than in the discharge of official duties is prohibited by law. However, it is considered within official duties to furnish vendors and others at their request information as to rights, procedures, and forms to be used for presenting bills or claims. It is also appropriate to inform vendors doing business with DOT that billings have not been received from them and that, in the absence of such billings, payment of their accounts cannot be made.

c. Invoice Requirements Under the Prompt Payment Act.

- (1) The Prompt Payment Act (P.L. 97-177) provides in section 6(3) that "an invoice shall be considered a 'proper invoice' when it contains or is accompanied by such substantiating documentation (A) as the Director of the Office of Management and Budget may require by regulation, and (B) as the Federal agency involved may require by regulation or contract."
- (2) OMB Circular A-125 provides that the following data must be included in an invoice for it to constitute a proper invoice:
 - (a) Name of the business concern and invoice date;
 - (b) Contract number, or other authorization for delivery of property or services;
 - (c) Description, price, and quantity of property and services actually delivered or rendered;
 - (d) Shipping and payment terms;
 - (e) Name (where practical), title, phone number, and complete mailing address of responsible official to whom payment is to be sent; and
 - (f) Other substantiating documentation or information as required by the contract.
- (3) Federal Procurement Regulations (FPR) Temporary Regulation 66, Subpart 1-29.301-4, Prompt Payment Procedures, of 10/5/82, requires that each solicitation and resultant contract shall contain a clause clearly stating the information and documentation required for an invoice to be considered "proper."

d. Acceptance of Original Invoice or Copy.

- (1) Original invoices are required to support claims by vendors and others for payment for materials or services furnished. A carbon copy of an invoice generally may not be accepted in lieu of an original invoice. A reproduction copy of an invoice may be accepted in lieu of an original invoice when it is the normal billing practice of the vendor. The reproduction copy must be marked "original." When vendors submit invoices where there is no distinction between the copies, one copy must be marked "original" and others marked "copy."
- (2) If an original invoice is lost or destroyed, an unsigned memorandum copy may be accepted for payment, provided an explanation of the circumstances surrounding the loss or destruction of the original invoice and a certification that steps have been taken to prevent duplicate payment are placed on or attached to the unsigned copy by the examiner.

e. Basic Invoices or Vouchers. The following documents are the most commonly used as invoices or vouchers:

- (1) Vendor's Invoice. A document normally used in commercial practice to bill for goods sold or services rendered. A vendor's invoice shall be used as the payment document unless a specific form is required.
- (2) SF 44, Purchase Order-Invoice-Voucher. The invoice copy may be used by vendors to bill for small purchases.
- (3) SF 1012, Travel Voucher. Used by travelers to claim reimbursement of official travel expenses.
- (4) SF 1034, Public Voucher for Purchases and Services Other Than Personal. Used by vendors who have no invoice form and do not use SF 44.
- (5) SF 1038, Advance of Funds Application and Account. Used as the basic document to support the payment of travel advances by SF 1166, Voucher and Schedule of Payments.
- (6) SF 1047, Public Voucher for Refunds. Used for processing refunds due remitters.

- (7) SF 1080, Voucher for Transfers Between Appropriations and/or Funds. Used by one Federal agency to bill another where payment is to be made by check.
- (8) SF 1081, Voucher and Schedule of Withdrawals and Credits. Used by one Federal agency to bill another where payment is made without issuance of check. General Services Administration bills agencies primarily on GSA Form 789, Voucher and Schedule of Withdrawals and Credits, in lieu of SF 1081 for materials or services not covered under SIBAC billing procedures. All SF 1081 and GSA Form 789 transactions between agencies serviced by a Treasury Disbursing Center will be accomplished without sending a document through the Treasury Disbursing Center.
- (9) SF 1097, Voucher and Schedule for Correction of Errors. Used to correct errors in charges and credits to appropriations and funds.
- (10) SF 1113, Public Voucher for Transportation Charges. Used by carriers to claim payment for transportation furnished on Government bills of lading and transportation requests.
- (11) SF 1129, Reimbursement Voucher. Used by cashiers to obtain reimbursement to cashier fund, and by employees to obtain reimbursement by check for authorized purchases or expenditures other than travel. In the latter case the "Status of Fund" block and certification will be deleted.
- (12) SF 1143, Public Voucher for Advertising. Used by publishers to bill for charges for advertising published in accordance with advertising orders.
- (13) SF 1156, Public Voucher for Fees and Mileage of Witness. Used by persons other than employees to claim witness fees and mileage for appearance at hearings.
- (14) SF 1164, Claim for Reimbursement for Expenditures on Official Business. Used by employees to claim reimbursement from cashiers for taxi fares and other expenses.
- (15) SF 1165, Receipt for Cash-Subvoucher (with stub, Interim Receipt for Cash). Used as (1) a receipt to evidence a cash payment made for purchases of supplies or services and (2) an interim receipt when cash is advanced from an imprest fund for purposes of making purchases or payments

in cash. This form may be used also as a receipt for cash payments or as a subvoucher to support claims for reimbursement vouchered on SF 1012.

(16) TFS Form 7306, Paid Billing Statement for SIBAC Transactions. Used as the paid billing document under the Simplified Intragovernmental Billing and Collection (SIBAC) system between Federal agencies.

(17) GSA Form 789, Statement, Voucher, and Schedule of Withdrawals and Credits. Used by GSA to bill for materials and services not presently covered under the SIBAC system.

f. Supporting Documents. Various documents are required to support payment of vouchers or invoices. These include documents which indicate the authorization and specifications for furnishing the service or material such as a travel order, purchase order, contract, agreement, government bill of lading, transportation request, and documents which show evidence of receipt of material or performance of service.

4. BASIC EXAMINATION REQUIREMENTS. The following examination steps are required for all vouchers or invoices. Special requirements for the various types of vouchers are contained in subsequent chapters. Determine that:

- a. Supporting documents, such as contracts, purchase orders, travel orders, justifications, contract assignments, exigency statements, and receiving reports or other authorizing or explanatory statements are attached to the voucher or invoice or are available for use in the examination process.
- b. Administrative approvals and special certifications on invoices and vouchers or supporting documents have been made by authorized officials designated by delegations or authority furnished the accounting office.
- c. The expenditure is authorized by law or regulation.
- d. The transaction complies with DOT and other governmental regulations and legal requirements.
- e. The prices, terms, quantity, quality, per diem, mode of transportation, etc., stated on the voucher or invoice are in compliance with the agreement, contract, purchase order, travel order, or other authorizing document. The invoices must show a description of each item or appropriate reference

thereto, quantity, unit or lot price and total amount. If the unit or lot price on the invoice is greater than the contract or purchase order, payment should be no more than the contract or purchase order. If the unit or lot price is less than the contract or purchase order, payment should be the amount claimed, if otherwise correct.

- f. The extensions, totals, deductions for discounts, payment exceptions, and amounts chargeable by appropriation are correct.
- g. There is adequate documentary evidence that goods and services were received and date of receipt noted, except that evidence of receipt is not required to be submitted to the accounting office (1) for payment of GSA FEDSTRIP and DOD MILSTRIP purchases; and (2) for payment under "fast payment" procedures as described in paragraph 13, this chapter.
- h. The payee is the individual or organization furnishing the goods or services for which payment is requested, except in the case of decedents or where an assignment under a contract has been received. The name and address of the payee on the invoice should agree with that shown on the agreement, contract or purchase order, etc., and on any tear-off slip.
- i. The invoice or voucher shows date it was received.
- j. The invoice indicates the points of shipment, weight and Government bill of lading number or that a freight or express receipt is attached in lieu thereof.
- k. Reference is made to the authorizing document number on the invoice or voucher.
- l. The proper appropriation and accounting information is indicated.
- m. All applicable deductions are made and credited to the proper account in the correct amount.

5. SPECIAL INVOICE PROCEDURES.

- a. Charge Accounts (see paragraph 2e, Chapter 3). Where agreements are made with vendors for charge accounts and monthly billings are submitted by the vendor, the invoice must identify by listing or reference to delivery tickets, the articles covered, unit costs, total cost, the purchase order number and delivery ticket numbers.

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- b. Recurring Payments. Payments for services of a continuing nature such as rents, janitorial service, etc., which are performed under contract providing for a fixed payment due at regular intervals may be paid without submission of an invoice by the vendor. The accounting office may prepare a voucher showing contract number, period of payment, name of vendor and amount to support payment. The voucher should be checked to the contract for verification that the contract is currently in effect.
- c. Billings for Payment in Foreign Currency. Vouchers or invoices payable in foreign currency may be translated to readily identify the articles covered and unit costs. The examination procedure will not differ from other invoices. However, such invoices shall be scheduled separately to the Treasury Department Disbursing Center. See paragraph 13, Section 1 of Chapter 13.

6. FLOW OF DOCUMENTS.

- a. General. All basic vouchers, invoices and supporting documents shall be addressed and transmitted directly to the accounting office from the vendor or Government issuing officer or from the receiving or inspection officer in the case of receiving and inspection reports. Such documents must not be transmitted through any intermediate office. To avoid routing basic vouchers and invoices to other offices to obtain administrative approval or certifications, the accounting office should obtain these approvals or certifications on other documentation, such as copies of receiving reports and purchase orders, or by memorandum. In the absence of such documentation, a copy of the basic voucher or invoice should be promptly routed to the concerned approving official requesting administrative approval for payment. Such a request should indicate that the subject voucher or invoice must be returned promptly to the accounting office to avoid the accrual of interest penalty charges.
- b. Numbering of Vouchers and Invoices. Procedure for numbering of vouchers and invoices are set forth in paragraph 3, Section 1, Chapter 13 of this manual.
- c. Dating. Vouchers, invoices, and principal supporting documents will be date stamped upon receipt in the accounting office. If the principal supporting documents consist of a listing or a large number of documents, date stamp only the first page.

- d. Accountability Records. Accountability records for transportation requests and tax exemption certificates will be maintained by the accounting office. In some instances, the accountability records for transportation requests will be maintained by the transportation officer.

7. APPROVALS AND CERTIFICATIONS REQUIRED

- a. Authorizations or Approvals. All documents must be authorized or approved by an official delegated the authority to authorize the particular document, for example, purchase order, travel order, etc. The accounting office must be furnished with lists of persons by name and title to whom such authority has been delegated, or positions delegated when delegation is by position and is included in DOT or operating administration regulations. The accounting office should be provided original signatures of those individuals designated as authorizing or approving officials.
- b. Receiving Reports and Inspection Reports.
- (1) General. Generally, receiving or inspection reports certifying that goods or services have been received or that work has been performed or specifications met are required to support payment. Exceptions must be specifically provided for. For example, the exception under "fast pay" procedures is covered in paragraph 13 of this chapter and DOTPR 12-3.652 (41 CFR 12-3.652). Receiving and inspection reports, when required, must be submitted promptly and directly to the accounting office. Receiving reports for GSA FEDSTRIP and DOT MILSTRIP shipments which do not involve shortages or damages in excess of \$25 will be retained by the consignee.
- (2) Prompt Payment Act Requirements. Paragraph 6c, OMB Circular No. A-125, prescribes receiving report requirements under the Prompt Payment Act. A receiving report must include:
- Contract or other authorization number.
 - Product or service description.
 - Quantities received, if applicable.
 - Date(s) property or services accepted.
 - Signature, printed name, title, phone number, and mailing address of the receiving official.

It is important that receipt and acceptance be executed as soon as possible. Receiving reports will be forwarded in time to be recorded by the designated payment office by the fifth business day after acceptance, unless other arrangements are made (this requirement is also contained in paragraph 5, Subpart 1-29.102(e), FPR Temporary Regulation 66). The designated payment office will stamp receiving reports and invoices with the date received in that office.

- c. Administrative Approval and Special Certifications on Vouchers or Invoices. Administrative approval is required on travel vouchers and reimbursement for expenditures on official business, but is not required on other vouchers or invoices where receiving reports and authorizations are in evidence as part of the supporting documents. Special certifications in addition to that of the certifying officer are required for long distance telephone bills (see paragraph 6, Chapter 3) and contract field printing invoices (see paragraph 5, Chapter 3). The payee's certification is required on all transportation vouchers.
- d. Acceptance of Administrative Approval. The voucher examiner shall accept an administrative approval made as a determination that a purchase was made or a trip was taken or an expense was incurred in the interest of the Government. This does not mean that an administrative approval should be relied upon for the facts involved in the transaction, computation of amounts, compliance with regulations, or the legality of the payment. However, the voucher examiner should determine that all required documents are attached to the voucher. Where administrative determination and judgement is necessary to be made under the regulations, it must be made by an authorized official and not by the voucher examiner.

8. CASH DISCOUNTS.

- a. Policy. The Government-wide financial policy on cash discounts is contained in the Treasury Fiscal Requirements Manual (1 TFRM 6-8040.30) and OMB Circular A-125. The salient points are:
 - (1) Discounted payments will be scheduled for check issuance as close as administratively possible to the last day of the discount period.

- (2) Discounts will only be taken when the discount terms applied in the formula below yield an effective annual interest rate equivalent to, or greater than the percentage rate based on the current value of funds to Treasury (1 TFRM 6-8040.30). The current value of funds to Treasury will be transmitted in TFRM bulletins prior to the first day of each calendar quarter for use during that calendar quarter.

Conversion Formula (from 1 TFRM 6-8040.30)

$$\frac{\text{Discount \%}}{100\% \text{ minus Discount \%}} \times \frac{\text{Days in Year}}{\text{Time Span Discount in Days to Period Due Date in Days}} = \text{Effective Annual Interest Rate}$$

Example for Application

Discount Terms: 1/2% (.005) in 10 days, net 30 days

$$\frac{.005}{1.00 - .005} \times \frac{360}{30-10} = .09 \text{ or } 9\%$$

In this example, the offered discount would be taken if the current value of funds to Treasury was 9% or less.

- (3) The computation of the discount period will be based on the date of receipt of an invoice which is authorized for payment, unless otherwise provided in the contract or invoice as to how the discount period is determined. The term "receipt of invoice" is defined as the later of:
- The date a proper invoice is actually received in the designated payment office, or
 - The date on which the Department accepts the property or service.
- (4) Discounts will only be taken when payments are made within the discount period. If discounts are taken after expiration of the discount period, interest penalties will be paid unless underpayment is corrected within 15 days of the expiration of the discount period (3 days for meat and meat food products, and 5 days for perishable agricultural commodities). The interest payment will be calculated on the amount of the discount taken and for the period beginning the day after the end of the specified discount period through the payment date.

b. Other. Additional guidance on cash discounts includes:

- (1) In the absence of contract provisions to the contrary, prompt payment discounts offered by vendors to the Government where trade-ins are involved should be computed on the basis of the net contract price -- that is, the actual cash balance due -- since such method is consistent with generally accepted accounting principles and current trade practice (60 Comp. Gen. 255).
- (2) Discounts are computed prior to deductions for damage or transportation charges.

c. Discount Vouchers. Vouchers involving discounts should be listed on a separate voucher schedule from other types of payments. A rubber stamp impression large enough to be easily identified (preferably 24-point) and reading "Discount Date Expires _____" should be placed along the left-hand edge of non-OCR Voucher Schedules. On Optical Character Recognition (OCR) format voucher-schedules, the discount stamp may be placed ONLY in the Appropriation Summary block; otherwise the voucher schedule will be rejected by the scanning equipment (1 TFRM 4-2020.60).

9. PREVENTING DUPLICATE PAYMENTS. Vouchers or voucher schedules and supporting documents must be so marked as to prevent their being processed for payment a second time. Voucher examiners should be particularly alert to the possibility of duplicating payments whenever one or more of the following situations exist:

- a. Payments have been delayed for extended periods of time after due dates and duplicate copies of invoices are received from vendors as follow-up claims.
- b. Invoices or bills may have been submitted by the vendor to more than one accounting office for payment.
- c. Adjusted invoices are received after payments have been made.

10. ADMINISTRATIVE EXCEPTIONS OR SUSPENSIONS. If an exception is taken by the voucher examiner to an amount claimed on an invoice or voucher, explain the suspension or difference using DOT F 2750.1, Notice of Suspended or Disallowed Items and/or Notice of Federal Income

Tax Withheld from Travel and Transportation Expense, giving the reason for suspension and citation to law and regulation. The notice of exception must be signed by a supervisory voucher examiner. The original notice will be furnished the claimant and a copy filed with the original invoice or voucher.

11. ADJUSTMENT OF UNDERCLAIMS/OVERCLAIMS OF GOVERNMENT CREDITORS AND EMPLOYEES.

- a. Underclaims. When a Government creditor or an employee has submitted a claim for the proper quantity of materials, services, or entitlements at the proper unit prices or rates, and due to an error in computation or extension an underclaim of \$30 or less has occurred, the amount claimed may be increased by the voucher examiner not to exceed \$30, without amendment of the claim by the claimant (57 Comp. Gen. 298).
- b. Overclaims. Corrections involving reductions of overclaims may be made in any amount. If the operating administration's procurement directives authorize payment not to exceed \$30 for (1) errors in extension or computation in the procurement instrument, or (2) adjustments to estimated transportation costs, then payment can be made without a change to the procurement instrument.

12. ASSIGNMENT OF PAYMENTS UNDER CONTRACT.

- a. Background. This paragraph provides guidance for the examination of vouchers or invoices where assignment of payments due under DOT contracts are involved. The assignment of claims against the United States is governed by the Assignment of Claims Act of 1940, as amended (31 USC 3727 and 41 USC 15). In brief, the Act prohibits the assignment of claims except under very rigid conditions and prohibits the transfer of contracts, but permits the assignment of contract proceeds within limits. The Assignment of Claims Act has been the subject of numerous decisions of the Comptroller General and the courts. Voucher examiners interested in this subject should review the discussion contained in Chapter 11, Principals of Federal Appropriations Law, published by the General Accounting Office. The contractual and documentation requirements are contained in 41 CFR, Subpart 1-307.

- b. Conditions Governing Assignment of Claims. Payments due or to become due under government contract may be assigned under the following conditions.
- (1) The contract provides for payment aggregating \$1,000 or more;
 - (2) The payments are assigned to a bank, trust company, or other financing institution, including Federal lending agencies. A "financing institution" is one which deals in money, as distinguished from other commodities, as the primary function of its business activity (22 Comp. Gen. 44, 46 and 31 Comp. Gen. 90);
 - (3) The contract does not forbid assignments;
 - (4) Unless otherwise stated in the contract, the assignment shall cover all amounts payable under the contract and not already paid;
 - (5) The assignment shall not be made to more than one party;
 - (6) The assignment shall not be subject to further assignment, except that any assignment may be made to one party as agent or trustee for two or more parties participating in the financing; and
 - (7) The assignee must file written notice of the assignment with the contracting officer, the surety upon the bond, if any, and the accounting officer designated in the contract.
- c. Documentation.
- (1) There are no forms prescribed for use as an instrument of assignment or notice of assignment; however a suggested format is contained in 41 CFR 1-30.704.
 - (2) The contracting officer is required to examine the notice of assignment and instrument of assignment for propriety and to notify the paying accounting office by memorandum of the pending assignment and subsequently of its acknowledgement or refusal and return.
 - (3) The instrument of assignment and related documentation should be filed in the accounting office's contract file with the applicable contract.

- (4) The release of an assignment is required whenever there has been a further assignment or where further payments to the contractor are anticipated under the contract after the contractor-assignee's obligation to the original assignee has been satisfied.

13. FAST PAYMENT PROCEDURES.

- a. Background. "Fast payment" procedures were originally added to the Armed Services Procurement Regulations in 1965 to overcome the difficulty of obtaining receiving reports before the vendor's bill could be paid. Its use in the Department is governed by Department of Transportation Procurement Regulation (DOTPR) 12-3.652. It basically is a system whereby vendors are paid based on their invoice, without the accounting office first obtaining a receiving report.
- b. Conditions For Use. All of the following conditions must be present under the fast payment procedure:
 - (1) Each order does not exceed \$10,000;
 - (2) Title to the supplies will vest in the Government upon delivery to a post office or common carrier for shipment; or upon receipt by the Government when shipped other than by post office or common carrier;
 - (3) The vendor agrees to replace or repair supplies not received, damaged or not in conformance with the order;
 - (4) The supplies will be shipped transportation or postage prepaid, therefore no Government Bill of Lading will be used;
 - (5) Invoices must be submitted directly to the accounting office indicated in the order; and
 - (6) All fast payment orders will contain the fast payment procedure clause contained in DOTPR 12-7.104.50. This clause contains specific requirements on invoice preparation and certification.

c. Additional Examination Concerns.

- (1) It is important to note that the term "fast payment" is a procedure to overcome receiving report problems and should not be used to circumvent good cash management procedures. Payments should be made in accordance with the payment due date in the order.
- (2) Under the DOTPR, the contracting officer is primarily responsible for collecting debts resulting from failure of the contractors to perform properly.
- (3) Accounting officers must be satisfied that if their organization uses this procurement method, adequate internal controls are in place to make sure that their organization gets what they pay for.

14. ADDITIONAL REQUIREMENTS UNDER THE PROMPT PAYMENT ACT. In addition to the previously covered requirements generated by the Prompt Payment Act (Invoice requirements in paragraph 3c; receiving report requirements in paragraph 7b; and, cash discount requirements in paragraph 8), the following items found in either OMB Circular A-125 or FPR Temporary Regulation 66 are listed:

- a. The Prompt Payment Act requires the Department to pay its bills on time, to pay interest penalties when payments are made late, and to take discounts only when payments are made within the discount period (par. 2, OMB Circular A-125).
- b. Interest penalties will be paid without the need for business concerns to request them. The interest penalty will be absorbed within the appropriation used for the basic payment (par. 3, OMB Circular A-125).
- c. The penalty interest rate to be used is the interest rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 USC 611) and published semiannually in the Federal Register. The rate is referred to as the "Renegotiation Board Interest Rate" (par. 4b, OMB Circular A-125).
- d. The following payment provisions must be included in all contracts issued on or after October 1, 1982 (par. 6a, OMB Circular A-125; par. 5, subpart 1-29.2, FPR Temporary Regulation 66):
 - (1) Payment due date(s).

- (2) Separate payment dates if partial payment is provided for partial executions or deliveries.
- (3) If applicable, a statement that the special payment provisions of the Packers and Stockyard Act of 1921 or the Perishable Agriculture Commodities Act of 1930 applies.
- (4) A stated inspection period following delivery, where necessary, for Federal acceptance of property or services.
- (5) Name where practicable, title, phone number, and complete mailing address of officials of the business concern, and of the designated payment office.

NOTE - Various examples of sample payment clauses are contained in the referenced FPR.

As required by paragraph 7, OMB Circular A-125, payments will be made as close as possible to, but no later than, the thirtieth (30th) day after receipt of a proper invoice (see paragraph 3c above), except as follows:

- (1) When specific payment date is provided for in the contract.
- (2) When a time discount is taken (see paragraph 8 above).
- (3) Payments for meat or meat food products under the Packers and Stockyard Act of 1921 will be made as close as possible to, but not later than, the seventh day after the date of delivery.
- (4) Payments for perishable agriculture commodities under the Perishable Agriculture Commodities Act of 1930 will be made as close as possible to, but not later than, the tenth day after the date of delivery, unless another date is specified in the contract.

Note: To assist in assuring that payments are made as close as possible to the "30 days after receipt of invoice" date, it is suggested that the payment due date be stamped on the invoice and a "tickler" type file be established to allow for the systematic scheduling of payments on the proper due date. This should not be necessary if an effective automated payment system is being used.

- f. An interest penalty will be paid automatically when all of the following conditions take place (par. 8, OMB Circular A-125):
- (1) There is a contract or purchase order with a business concern.
 - (2) DOT acceptance of property or services has occurred and there is no disagreement over quantity, quality, or other contractual provisions.
 - (3) A proper invoice has been received, if required, or the accounting office fails to give notice that the invoice is not proper within 15 days of its receipt (3 days for meat or meat food products, and 5 days for perishable agricultural commodities).
 - (4) Payment is made more than 15 days after the due date (3 days for meat and meat food products, and 5 days for perishable agricultural commodities).
- g. Interest penalties are not required when payment is delayed because of a disagreement between a Federal agency and a business concern over the amount of the payment or other issues concerning compliance with the terms of the contract. The term "disagreement" would include vouchers forwarded by the authorized certifying officer to the Comptroller General for an advance decision as covered in paragraph 4c(4), Chapter 1 above. In addition, interest penalties are not required when payments are made solely for financing purposes, or when payments are made in advance or for a period when amounts are withheld temporarily in accordance with the contract.
- h. Interest will be computed from the day after the due date through the payment date. The amount will be separately stated on the check or the accompanying remittance advice (paragraph 9, OMB Circular A-125).
- i. Interest penalties will apply to payments made under contracts issued on or after October 1, 1982 (par. 13, OMB Circular A-125).

CHAPTER 3. COMMERCIAL VOUCHERS - SMALL PURCHASES

1. GENERAL. This chapter covers the examination of invoices or vouchers for small purchases. The examination procedures cover the special aspects peculiar to each type of invoice or voucher and are in addition to the general examination requirements contained in Chapter 2.
2. PURCHASES.
 - a. General.
 - (1) The Federal Procurement Regulations, implemented and supplemented by DOT Procurement Regulations, prescribes methods for purchasing supplies and nonpersonal services from commercial sources. If a desired item is not available from excess property of DOT or of other Government agencies, and the amount is not sufficient to require the solicitation of competitive bids and the award of a contract, or the transaction may otherwise be made without advertising, the purchase may be consummated as a small purchase transaction. Authorized employees may purchase personal property, supplies, material, and services under the small purchase procedures when (a) the amount involved in any one case is \$10,000 or less, or (b) there is only one source of supply or the nature of the article or service is such that advertising would not result in competition, or (c) an article or service is immediately required to meet an exigency.
 - (2) The Imprest Fund Manual, DOT 2770.7A, prescribes the procedures for the use and control of imprest funds for small purchases.
 - b. SF 44, Purchase Order-Invoice-Voucher.
 - (1) Departmental guidelines on the use of SF 44 is in DOT 4230.2, Standard Form 44, Purchase Order-Invoice-Voucher, as amended.
 - (2) This form is primarily used for on-the-spot, over-the-counter purchases of supplies and nonpersonal services. The conditions under which the SF 44 can be used are listed below:
 - (a) The amount of the purchase does not exceed \$2,500 except under public exigency circumstances.
 - (b) Only one delivery and one payment is made. The use of SF 44 for partial payments and more than one delivery is prohibited.

- (c) An imprest fund is not available, or not authorized for such use.
 - (d) The contracting officer provides the servicing accounting officer with a list of names of individuals or positions delegated to whom SF 44's have been issued; and notifies the accounting officer of changes as they occur.
- (3) Examination. Verify that:
- (a) The vendor signed and dated the original of the SF 44. No signature is required if the vendor bills on his own invoice and attaches the original SF 44.
 - (b) The quantities shown on the original of the SF 44 agree with the receiving report submitted by the purchaser.
 - (c) The purchaser is an authorized buyer.
 - (d) A statement of justification by the contracting officer for exigency purchases is attached to the purchase order.

c. Gasoline Credit Card Purchases.

- (1) Use of SF 149, U. S. Government National Credit Card. DOT guidance on the use of SF 149 can be found in DOT 4440.3B, Motor Vehicle Management. Gasoline and lubricating oil for DOT-owned or leased automotive vehicles or aircraft can be purchased by SF 149 under mandatory Federal contracts. Cards issued may not be used for purchase of gasoline for GSA vehicles, or for the purchase of bulk gasoline and oil. Purchases for GSA vehicles are made on GSA credit cards. Should a DOT credit card be used in error for a GSA vehicle, pay the bill and seek reimbursement from GSA. Other service station supplies or services may be procured through the use of credit cards except for parking space, tires, tubes, batteries, automobile accessories or repairs unless under emergency situations.
- (2) Documentation. Credit card purchases will show the following information on the sales ticket submitted by the vendor with his invoice.
- (a) Credit card number.
 - (b) Office billing code.

- (c) Benefitting activity, i.e., Vehicle, Boat, Aircraft, tag number, etc.
- (d) Supplies or services purchased.
- (e) Unit prices and quantity.
- (f) Contract number when commercial jet kerosene is purchased under any DOT contract.
- (g) Signature and organization of person receiving supplies or services.

(3) Examination. Verify that:

- (a) The copy of the sales ticket shows a signature for receipt of supplies or services.
- (b) The total of the sales tickets agrees with the vendor's invoice.
- (c) The documentation outlined above is shown on the sales slip.

- (4) Suspensions. Any suspended items shall be explained to the vendor on the copy of the invoice returned with the payment check, or by separate correspondence including identification of the invoice, gross amount of invoice, amount of and reason for deduction or suspension, and the net amount of payment.

d. Imprest Fund Payments.

- (1) Use of Imprest Fund. DOT policy on the use and control of imprest funds is contained in the Imprest Fund Manual, DOT 2770.7A. Imprest funds may be used for the following purposes:
 - (a) Small purchases of supplies and nonpersonal services not to exceed \$250 for any one transaction, or \$500 under emergency conditions. The only exception to the dollar limitations are those specific instances where the Treasury Department has granted specific waivers directly to an operating administration.

- (b) Emergency, fill-in, occasional, or special purchases of supplies or services; repair of equipment; and subsistence items.
 - (c) Postage stamps, parcel post, C.O.D. postal charges, local drayage, transportation tokens or passes (including cash fares), taxi fares, public utility bills when cash payment is more efficient, and money order fees when it is necessary to transmit collections for deposit or to deposit part of the fund when the fund is to be reduced or liquidated.
 - (d) Rental of post office boxes and purchase of photographs for official identification or passports.
 - (e) Travel advances or reimbursement for travel expenses, where the amount to be paid the traveler does not exceed \$250, or \$500 under emergency conditions. In the case of reimbursement of travel expenses, the travel voucher must be reviewed and initialed by a voucher examiner and signed by an approving officer before payment can be made from an imprest fund.
 - (f) Transportation charges not to exceed \$100, either in advance or after delivery, for domestic freight shipments moved on commercial bills of lading. This procedure is optional and applicable only upon mutual agreement between the agency and the carrier. All charges must be billed and paid to the origin carrier and may not be waived to another carrier.
 - (g) Incentive or meritorious awards that do not exceed the imprest fund dollar limitation. The Internal Revenue Code requires that Federal income tax be withheld (1 TFRM 3-4020.10).
- (2) Approvals for Advances and Cash Payments from Imprest Funds.
- (a) Purchases. Purchase approval will be indicated by signature in the "Purpose" block of SF 1165, Receipt for Cash Subvoucher, or on the delivery ticket. This approval will be verified by the imprest fund cashier.

- (b) Travel. Payments for reimbursement expenses at official headquarters, such as local taxi fares, tolls, etc., will be approved by an official authorized to approve travel on SF 1164, Claim for Reimbursement for Expenditures on Official Business.
- (c) Travel Advance. The SF 1038, Advance of Funds Application and Account, will be presented to the cashier who will make payment after determining that the form has been signed by the proper approving official. The signature of the applicant will be obtained on the imprest fund subvoucher copy of the form acknowledging receipt of cash.
- (3) Receipt Requirements. Payments made from imprest funds must be supported by an original sales slip (except as stated below), cash register ticket, invoice, or SF 1165, which lists the articles or services and the amount. To show itemization on cash register tickets note the item opposite each amount. A reproduction or carbon copy of a sales slip may be accepted in lieu of the original when it is the practice of the seller to retain the original. The purchaser's statement detailing why the original receipt is not furnished must be included on the copy of the receipt submitted. The reproduction or carbon copy must be marked "Original." The following requirements apply to receipts:
 - (a) For purchases in excess of \$15, an itemized receipt must be signed by the vendor or his agent as evidence of payment. If the signature of the vendor or the listing of articles purchased cannot be noted on the receipt (sales slip, ticket, or invoice) the signature and listing is made on the SF 1165, Receipt of Cash Subvoucher, which will be attached to the receipt. A statement that the articles were received or the services performed is made on the receipt and signed by the employee.
 - (b) For purchases of \$15 or less, the receipt need not be signed by the vendor but it must be itemized. Where it is impracticable to secure a vendor's invoice, sales slip, etc., the employee making the purchase, even though he may be a cashier, will itemize on SF 1165, the articles or nature of services purchased and will sign the form indicating receipt of funds from the imprest fund and that the articles were received or the services performed.

- (c) SF 1164, Claim for Reimbursement for Expenditures on Official Business, is used to obtain reimbursement for local travel and as a receipt of payment from an imprest fund for taxi fares or similar authorized expenses.
 - (d) All subvouchers should be consecutively numbered by the cashier in the order of payment. Numbers should revert to 1 at the beginning of each fiscal year. Subvouchers received from a subcashier by a Class-B cashier are renumbered by the Class-B cashier.
 - (e) The use of SF 1094, U.S. Government Tax Exemption Certificate, is not required for small purchases or cash purchases where the amount of State or local taxes on any one bill or purchase is \$10 or less (see Chapter 5).
- (4) Examination. Examine SF 1129, Reimbursement Voucher, for replenishment of imprest funds to determine that:
- (a) Subvouchers are consecutively numbered and totaled. They should be securely attached with an adding machine tape summarizing amounts of the subvouchers. No detail of items covered should appear on the SF 1129.
 - (b) The inclusive numbers of the subvouchers are shown, the "Status of Fund" section is completed, the number of reimbursement checks desired is specified, and the amount of each check is indicated.
 - (c) A series of purchases for the same items or services have not been made to avoid the \$250 limitation.
 - (d) Each subvoucher shows the proper accounting classification. The fiscal year in which the purchase was made will be the basis for determining the appropriation chargeable.
 - (e) The signature of the vendor was obtained for purchases of more than \$15. Subvouchers show details of the purchases and the name of the vendor.

e. Charge Account Purchases.

- (1) General. Charge accounts are established with vendors under blanket purchase agreements. Such arrangements cannot be made for more than one year, nor exceed \$2,500 for any one purchase. Names of persons authorized to make charge account purchases shall be furnished to the accounting office.
- (2) Documentation.
 - (a) Copies of delivery tickets will be transmitted to the accounting office monthly or more often if necessary by the ordering officer and will include the following information:
 - 1 Name and address of vendor.
 - 2 Blanket purchase arrangement and applicable delivery ticket number.
 - 3 Name of buyer.
 - 4 Date of purchase.
 - 5 Purchase Order number and delivery ticket number.
 - 6 Quantities, unit prices, and total amount of delivery.
 - 7 Date and receipt of delivery.
 - (b) The original of the delivery ticket will be retained by the vendor and submitted with his monthly statement to the accounting office.
- (3) Examination. Verify that:
 - (a) The vendor's statement shows purchase order number, delivery order number, date, and amount.
 - (b) Merchandise has been received.
 - (c) Total of delivery tickets agree with the vendor's statement.
 - (d) Buyer has been authorized to make purchase.

- (4) Suspensions. Any suspended items shall be explained to the vendors on the copy of the statement returned with the payment check.

f. Purchase Orders.

- (1) General. A purchase order (other than SF 44) is used by the contracting officer for small purchases of \$10,000 or less, or for procurement from mandatory sources in any amount. The accounting office shall normally be furnished the receiving report copy of the purchase order by the consignee.
- (2) Examination. Verify that:
 - (a) The quantities and items shown on the receiving report copy agree with the invoice submitted by the vendor. Under "fast pay" procedures covered in paragraph 13, Chapter 2, payments can be made before the accounting office gets the receiving report.
 - (b) The unit prices on the invoice agree with the purchase order.
 - (c) The transaction is a proper purchase.

3. ADVANCE PAYMENTS. Advance payments in general are prohibited by 31 USC 3324 unless specifically authorized by an appropriation act or other law. The following are some exceptions permitted under the law.

- a. Subscription Charges for Publications. Subscription charges for newspapers, magazines, and other periodicals for official use may be paid in advance. Payment is not restricted to one-year periods. Where it is advantageous for purposes of economy or otherwise, subscriptions may be made for five-year periods or less. Verify subscription rates billed on the vendor's invoice to the purchase order. Maintain a follow-up to determine that the first copy of the subscription is received. Note receipt on the purchase order.
- b. Post Office Box Rentals. Charges for post office box rentals for official use may be paid in advance on an annual basis. Payment will be made on the basis of the post office billing containing reference to the post office box number.

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- c. Travel Advance. An advance of funds may be made for subsistence expenses on official travel (see paragraph 6, Chapter 9) and for expenses incident to the shipment of household goods and personal effects of employees transferred from one duty station to another. Application for advance of funds is made on SF 1038. Determine that the SF 1038 is properly approved, and that the interests of the Government are adequately protected. Advances for this purpose should be limited to immediate need.
- d. Other Government Agencies. Charges for materials, supplies, equipment, work or services furnished by another Government agency pursuant to Section 601 of the Economy Act may be paid in advance.
- e. Contracts with Small Business. Advance payments under contracts with small businesses are covered in Chapter 4.
- f. Training Expenses. Expenses under the Government Employees Training Act may be paid in advance to the educational institution or to the employees. Verify the invoice or voucher to the training agreement and the travel order.
- g. Domestic Freight Shipments. Advance payment may be made from the Imprest Fund for domestic freight shipments moved on commercial bills of lading. Authority is contained in Comptroller General decision B-163758.

4. PAYMENTS FOR ADVERTISING.

- a. General. SF 1143, Advertising Order and Public Voucher for Advertising, will be used for placing all orders for advertising in newspapers and periodicals and for vouchering all payments for advertising. 44 U.S.C. 3702 states that advertisement may not be published in a newspaper except under written authority from the head of the department and the bill for advertising or publication may not be paid unless a copy of the authority is presented with the bill. A place for the citation authority is contained on the face of the SF 1143. Within the Department, the authority can be found in 41 CFR 12-2.203-3a, and is delegated to the Deputy Secretary, the Assistant Secretary for Administration, and the head of each operating administration. This authority may be delegated to subordinate officials without the power to further delegate.

b. Examination. Verify that:

- (1) The advertising order was signed by a person properly delegated authority to place advertisements.
- (2) The date and reference number to the delegation or assignment of authority is shown on the SF 1143.
- (3) Any deviations from solid type as defined on the face of the SF 1143 is according to specifications contained in the SF 1143.
- (4) The publisher's bill is presented on the reverse side of SF 1143. However, payment shall not be refused if the publisher bills on his own invoice provided it contains all the information required of the publisher on SF 1143.
- (5) A clipped copy of the advertisement showing the name and date(s) of the publication is attached to the voucher. If a copy is not available, the publisher must furnish an affidavit of publication.

5. CONTRACT FIELD PRINTING.

a. General. Invoices for contract field printing cover expenses for printing, binding, blankbook work, and reproduction. The Congressional Joint Committee on Printing annually authorizes the procurement of necessary contract field printing elsewhere than in the District of Columbia.

b. Examination. Verify that:

- (1) The following certification signed by the official under whose authority the field printing was procured will be typed or printed on, or will accompany, all vouchers involving payment for contract field printing as required by 1 TFRM 4-2030.40:

"I hereby certify as responsible officer that the contract field printing covered by this voucher was procured in accordance with the applicable Government Printing and Binding Regulations of the Joint Committee on Printing."

- (2) The receiving report and the vendor's invoice agree as to quantities and items procured.
- (3) The unit prices on the invoices agree with those itemized on the purchase order.

6. TELECOMMUNICATION SERVICE.

a. Long Distance Telephone Service - Other than through FTS.

(1) General. Each public voucher and each travel or local expense reimbursement voucher that includes toll charges for official long distance calls should contain the certification shown in paragraph 6a(2)(b) below. Delegations of authority to certify long distance calls can be found in paragraph 8a, DOT 1740.1A, Administrative Telephone Service and Equipment, 10-23-75.

(2) Examination. Verify that:

(a) The bill includes the date, place called, and the charge for each call.

(b) The calls were incurred in the transaction of official business based on the following certification signed by an authorized official on the listing of calls:

"Pursuant to section 4 of the act approved May 10, 1939 (53 Stat. 738), I certify that the use of the telephone for the official long distance calls listed herein was necessary in the interest of the Government."

(3) Payment. Personal calls should not be suspended from the bill. Payment should be made in full with subsequent collection from the employee. When collection is necessary, the voucher examiner should initiate action to assure establishment of accounts receivable.

b. Long Distance Telephone Service - FTS. The Comptroller General has said that FTS telephone calls are not considered "long distance telephone toll" calls, therefore, the certification required in paragraph 6a(2)(b) above is not required for GSA vouchers for calls made over FTS (7 GAO 25.3).

c. Official Metropolitan Area Telephone Calls. If official metropolitan area toll calls are billed separately from long distance calls as additional message units billed, the bill should show charge per message unit. No administrative certification is necessary. If metropolitan area toll calls are not billed separately from long distance calls or are not separately billed as message units, the covering invoice will contain the certification for long distance calls quoted in subparagraph 6a(2)(b) above.

- d. Business Telephone Service - Recurring Local Service and Installation Charges. Telephone rates are fixed by Federal, State, or other regulatory body and it is not necessary for the examiner to verify the invoice against the rate schedule or other document. In the examination of invoices, verify that:
- (1) The billing period is indicated.
 - (2) The recurring local service charge is shown separately from other charges.
 - (3) The number of installations made and the phone numbers are shown on the invoice, and that the extensions are correct.
 - (4) The administrative certification is shown on the invoice to the effect that the services listed have been received.
- e. Telephone Calls from Private Residence. Payment may be made on official long distance telephone calls placed from private phones. The calls must be itemized showing the date, place called, and the charge. The certification cited in paragraph 6a(2)(b) shall appear on each telephone call statement which the employee uses to support his claim for reimbursement on SF 1164 or SF 1012. Message units and local calls are not reimbursable (31 USC 1348; 59 Comp. Gen. 723).
- f. Telegraph and Telephone Credit Cards. Telegraph and telephone toll credit cards may be used for official Government business. Telephone toll credit calls will require the certification stated above. Verify that the bills show for each call the date, place from which called, place called, and the charge. A copy of the telegram should be attached to the invoice.
- g. Telegraph and Teletype Service.
- (1) General. Charges for telegrams involving inquiries pertaining to leave of absence, hotel reservations, payment of expenses or salary checks, or any matter of a personal nature are not payable by the Government. However, the mention of such items in telegrams relating to official business may be considered as incidental to the official business involved and the cost of such telegrams may be charged to DOT funds. Charges for telegrams reserving airplane, sleeping car, or other transportation accommodations are properly chargeable as reimbursable transportation expenses, provided that the telegrams are supported by satisfactory explanations by the employee.

(2) Examination. Verify that:

- (a) The invoice is itemized to show the charge for each message.
- (b) The invoice is supported by transmission copies of messages except those involving classified or restricted information. A statement by a responsible official is acceptable regarding copies of telegrams not submitted for security reasons.
- (c) Each message involved official business.

7. UTILITY SERVICE.

- a. General. Contracts need not be executed for public utility service when rates are fixed by Federal, State, or other regulatory body, except (1) when required by the company, (2) when deemed necessary in the best interest of the Government, or (3) service is available from more than one source of supply. Generally, the rates are fixed by a regulatory body and there is no need to verify the rate against the rate schedule if the invoice includes the total amount of service rendered and the rate charged per unit of service. Administrative approval of such invoices is not needed.
- b. Examination. Verify:
 - (1) That the invoice covering metered utility service shows the period covered and the meter readings at the beginning and ending of such period. This information is required even though only the minimum rate is charged. If a meter is changed, the date of the change must be shown together with both the meter reading of the old meter when discontinued and the new meter when installed.
 - (2) The meter readings to the prior month's billing.

8. SALE OR EXCHANGE OF PERSONAL PROPERTY.

- a. General. Items of personal property may be exchanged or sold and the exchange allowance or proceeds of sale applied in whole or part payment for similar new property. A written administrative determination will be made that the property purchased is similar to the property sold or exchanged. DOT policy in this area is contained in DOT 4410.2, Exchange/Sale of Personal Property.

b. Examination. Verify that:

- (1) Invoices indicating an exchange purchase are supported by the contracting officer's determination on the purchase order and are itemized to show (a) description, quantity, unit price, and total amount of the property acquired; (b) description, quantity, quality, unit price, and the total amount allowed for the property exchanged; and (c) the net amount to be paid. Where the similarity of the property acquired and exchanged is not self-evident, a statement explaining the similarity of such property must be furnished by the contracting officer.
- (2) Invoices indicating the purchase of property related to sale of similar property are supported by (a) the required administrative determination on or accompanying the purchase order, (b) a copy of the documentation covering the sale of similar property, and (c) a statement explaining the similarity of such property where the similarity of the property acquired and the property sold is not self-evident.

9. RENTAL OF COMMERCIAL MOTOR VEHICLES.

a. General. Use of commercial rental vehicles may be authorized under the following conditions:

- (1) Common carriers are not available or such use is impractical due to cost or schedule considerations.
- (2) A Government-owned vehicle (GSA/DOT) is not available, or such use is impractical due to cost considerations and/or the time required to pick up a vehicle from the GSA motor pool.
- (3) Use of an available privately owned vehicle is not advantageous to the Government.
- (4) The use of a commercial rental vehicle is not for the personal convenience of the employee.

b. Examination. Verify that:

- (1) A statement of justification for use of a rental vehicle is attached to the employee's copy of the rental agreement.
- (2) The employee's copy of the rental agreement agrees with the original attached to the vendor's invoice.

- (3) The travel order authorizes use of a commercial rental vehicle, or approval has been obtained from the authorizing official. Also, the completed rental agreement contains the travel order number, applicable GSA contract number, mileage readings, length of time of vehicle used, and total charges for the rental services.
- (4) If a commercial vehicle is rented on the open market, a statement is required justifying the use of a non-contract commercial rental vehicle.
- (5) If any insurance charges are reflected on the rental agreement, collection is made from the employee. This may not apply to rentals in foreign areas.

10. LEASES.

- a. General. Most leases are for the leasing of land or buildings and custodial services, and are generally limited to one year with annual renewal options. Payment is usually made annually before the end of the fiscal year. However, monthly, quarterly, or semiannual payments may be stipulated in the agreement. No invoice or billing is required by the lessor and payment is made on the basis of records maintained in the accounting office which include the payee's lease number and payment amount. Arrange for payment on the first business day following the payment cycle. Administrative approval is not required prior to payment. However, the contracting officer should notify the accounting office when payment is to be withheld because of unsatisfactory service.
- b. Examination. Verify that:
 - (1) The accounting records agree with the amounts provided in the leases.
 - (2) Where building services are involved, and a notice of unsatisfactory service has been received, payments shall be withheld in the amount specified by the contracting officer until the matter has been resolved.

11. CIVILIAN UNIFORM ALLOWANCE PAYMENTS.

- a. General. Payment may be made for the acquisition of uniforms for any employee who is required by regulations or by law to wear a prescribed uniform when on official duty, or when the uniforms are necessary for purposes of efficiency in performing a specific function, or it is necessary for an employee to

be readily identifiable to the general public or to other Departments or Government employees. The authority for civilian uniform allowances is contained in 5 USC 5901-5903, OMB Circular A-30, and DOT 3790.1. The uniform allowance, or the total cost of uniforms issued to any employee, shall not exceed \$125 per year, including the cost of initial alterations, if any. Employees must bear the cost of subsequent alterations, repairs, laundry and dry cleaning of uniforms. Payment will be made either to the employee as an advance or reimbursement or to the vendor. The accounting office will be notified in writing by management officials authorized to determine that uniforms will be worn, when payments are to be made, or when refunds are to be collected. The notification will contain at least the following information:

- (1) Employee's name, position title, and organizational unit.
- (2) Amount and frequency of allowance payments (or the amount to be collected, when appropriate).
- (3) Period covered by the payment (or refund).
- (4) Certification that the employee has not previously been paid an allowance for the current period of uniformed service.
- (5) Signature of authorizing official.

b. Examination. Verify that:

- (1) The payment does not exceed the authorized maximum.
- (2) Receipts are submitted as required.
- (3) Notification for payment is properly authorized.

c. Record of Payment. A record of uniform allowance payment(s), by employee, will be maintained by the accounting office for control purposes.

12. MEALS AND LODGING AT OFFICIAL STATION.

- a. General. Departmental policy on meals and lodging at the employee's permanent duty station can be found in Chapter 9, Section 2, DOT 1500.6. The Comptroller General has stated (42 Comp Gen 149) that in the absence of specific authority to the contrary, the general rule is that the Government

may not pay the subsistence expenses of or furnish free food to civilian employees at headquarters. Two specific exceptions with specific criteria are for training (5 USC 4109) and meetings (5 USC 4110). These are discussed below.

b. Training.

(1) General. The Government Employees Training Act authorizes payment for services and facilities directly related to training. This may include hotel service, meals, and facilities at the employee's official headquarters in cases where meals and "living in" are required as integral parts of the training. In most instances, payment of the training expenses will be made by the sponsoring operating element directly to the training facility or the commercial establishment under a purchase order agreement. However, if employees pay the training expenses directly, they may be reimbursed for the expenses on an SF 1164, Claim for Reimbursement for Expenditures of Official Business.

(2) Examination. Verification of the following is required:

- (a) Approval of the authorizing official (a person authorized to procure training) is contained on the SF 1164 or the commercial invoice. There should be a statement that the expenses were payable under the Government Employees' Training Act.
- (b) The training expenses have not or will not be paid by purchase order.
- (c) Receipts are furnished, if required, and fees and other expenses are properly itemized.

c. Meetings.

(1) General. A meal charge or a registration fee payable incident to attendance at a meeting may be reimbursable when attendance at a meeting or luncheon is authorized, and the required charge includes an amount for a meal which is a formal business part of the meeting. The employee will attach the receipt and include an explanation on the SF 1164.

- (2) Examination. Verification of the following is required:
- (a) Approval of the authorizing official is on the SF 1164. There should be a statement that the meal was a formal part of the business meeting.
 - (b) A receipt is attached, if required, to the SF 1164.

CHAPTER 4. COMMERCIAL VOUCHERS - CONTRACTS

1. GENERAL. The awarding of a contract is the responsibility of the contracting officer. When payment of an invoice appears questionable under terms of a contract, a statement will be obtained from the contracting officer explaining the circumstances.
2. CONTRACT FILE. The accounting office shall obtain the contract and all appropriate documentation related to the contract from the contracting officer. The contract is usually composed of a Face Sheet, Schedule (Contract Specifications), and General Provisions (SF 32, etc.). The contract file shall also contain:
 - a. Any other documentation which affects price, quality, delivery time, contract specifications, conditions or renewal of the contract.
 - b. Corporate surety bonds, where required by the contract.
 - c. Contract findings and determinations in support of the award action, and SF 1306, Statement and Certificate of Award.
 - d. Appropriate interpretations and regulations concerning the contract.
 - e. Notice of Assignment, if applicable.
3. INCONSISTENCIES BETWEEN SCHEDULE AND GENERAL PROVISIONS. If there are inconsistencies between the Contract Schedule and General Provisions, and any other conditions, the Schedule and the General Provisions shall control. Any inconsistencies between the Schedule and General Provisions are resolved by the order of procedure clause in the contract. If no such clause is present, the Schedule will control.
4. CONTRACTING OFFICERS. Maintain a list of contracting officers in the accounting office who are authorized to execute contracts or agreements.
5. ADVANCE PAYMENTS. Advance payments to small businesses are permitted under contracts for property or service. Premiums on surety bond contracts may also be paid in advance. The contract will cite the legal authority for the advance payment arrangement. In the case of small business contracts, determine that advance payments do not exceed the unpaid contract amount.

6. PROGRESS PAYMENTS. When specified in the contract schedule, progress payments may be made under a contract. The aggregate amount of the progress payments shall not exceed the amount provided by the terms of the contract. Verify that periodic estimates, or such other documents used for progress payments contain the administrative certification of the applicable project manager, inspector, or engineer in charge and is approved by the contracting officer.
7. HOLDBACKS. Contract holdbacks are amounts withheld from each payment due the contractor for the purpose of accumulating sufficient amounts to be used as assurance or safeguard that the contractor will perform the work in accordance with the contract requirements. Upon completion, inspection and acceptance of the project, without penalty to the contractor, the holdback is paid to the contractor. Generally, the holdback is the amount withheld from the contractor's progress payment vouchers by applying a percentage factor as specified in the contract.
8. LIQUIDATED DAMAGES. If a contract provides a liquidated damage clause, deductions concurred in by the contracting officer shall be made from contractor's invoices for delays in performance beyond the specified date of the contract. The basis of calculating the deduction shall be clearly set forth on the voucher. The deductions should be made regardless of whether the Government was actually damaged and should remain to the credit of the appropriation in the event the contractor, at a later date, presents a valid claim for remission of the amount due.
9. EXAMINATION.
 - a. Contract. Determine that:
 - (1) A contract number is assigned and any supplementals, contract amendments, change orders, renewals, etc., are identified with the basic contract by reference to the contract number.
 - (2) The contract is complete as to date and required signatures of both parties to the contract.
 - (3) Mathematical computations in the contract are correct.
 - (4) Any surety coverage required of the contractor is attached to the contract, or the contractor has an amount on deposit with DOT to cover the bid.

- (5) For all contracts let after October 1, 1982, the contract should contain:
 - (a) Invoice requirements (par. 3c, Chapter 2).
 - (b) Receiving report requirements (par. 7b, Chapter 2).
 - (c) Payment provisions (par. 14d, Chapter 2).
- b. Contract Payments. Prior to making payments under a contract or agreement, determine that the billing and subsequent payment are in accordance with the terms and conditions of the contract or agreement and:
 - (1) Compare unit prices and quantities of material purchases, or charges for services, on the contractor's invoice to the contract or agreement, including all amendments or change orders.
 - (2) Match the contractor's invoice to the receiving report to assure that the supplies delivered and accepted, or services rendered and accepted, are one and the same.

NOTE: Contract schedule may specify that payment may be made upon inspection and acceptance of equipment at the contractor's plant without first having to make a delivery.
 - (3) Compare the receiving report or other appropriate documentation to the contract to assure that supplies or services received are the same as those specified in the contract.
 - (4) Verify that the contractor's invoice has the title and signature of the person authorized to certify for the contractor, if required by the contract.
 - (5) Determine that the mathematical computations on the contractor's invoice are correct.
 - (6) Determine that any progress payments permitted under the contract meet the criteria established in paragraph 6 of this chapter.
 - (7) Determine that reimbursable transportation charges paid by the contractor are itemized in the invoices.

- (8) Determine the amount of the withholding of any payment for nondelivery or holdback as provided for in paragraphs 7 and 8 of this chapter.
- (9) Verify before final payment is made that the proper contractor's releases have been obtained from the contracting officer.
- (10) Verify before final payment is made under cost plus fixed fee and cost plus incentive contracts that the final audit report of the contract has been received.
- (11) Verify before final payment that all necessary adjustments have been made in the contract price.

CHAPTER 5. TAXES

SECTION 1. STATE AND LOCAL TAXES

1. GENERAL. It has long been held that the doctrine of sovereign immunity and the Supremacy Clause of the Constitution combined to prohibit the States from taxing the Federal Government or its activities. However, both Federal activities and State taxing schemes have grown in complexity and sophistication, and today there are some limited exceptions to the rule that the Federal Government can pay no tax.
2. SALES TAX. The question as to whether the Federal Government pays a sales or other tax imposed on its purchase of goods or services within a State depends on where the legal incidence of the tax falls. If the tax is a tax on the seller and one which only the seller is obligated to pay, the Government may reimburse the seller for his total cost including tax. But if the buyer is in any way legally responsible for the payment of the tax, the Federal Government as a buyer cannot be held responsible for such payment. There have been numerous Comptroller General decisions in this area, such as 21 Comp. Gen. 733, 1119; 23 Comp. Gen. 957; 24 Comp. Gen. 150; and 46 Comp. Gen. 363. If a vendor requires evidence that a sale or transaction is tax exempt, he should be provided with a tax exemption certificate (SF 1094, U.S. Government Tax Exemption Certificate).
3. HOTEL AND MEAL TAX.
 - a. Employee as Buyer. When a Federal employee rents a room directly, the employee becomes personally liable for the amount of the rental, including tax. The Government is not a party to the transaction and the tax is not a tax on the Government. Accordingly, the employee cannot assert the Government's immunity from local taxes. The fact that the Government may reimburse the full rental price as part of the employee's travel expense does not transform the tax into a tax on the Government (55 Comp. Gen. 1278). If local law exempts Federal employees from the tax, the employee should use the state or local government tax exemption certificate to claim the exemption (B-172621, April 4, 1973, non-decision letter).
 - b. Government as Buyer. When the Government rents rooms directly, that is, if there is a direct contractual relationship between the United States and the hotel or motel for the rental of rooms to Federal employees or others, the Government is entitled to assert its immunity from local taxes (55 Comp. Gen. 1278).

4. TAX EXEMPTION CERTIFICATES (SF 1094)

- a. General. 7 GAO 26 states that the General Services Administration shall be responsible for prescribing the United States tax exemption certificate form and procedures for its use (see 41 CFR 1-11.502-1).
- b. Restrictions on Use. United States tax exemption certificates shall not be used for:
 - (1) Purchases subject only to Federal taxes.
 - (2) Purchases on which the taxes are \$10 or less.
 - (3) Purchases for the operation or maintenance of personally owned motor vehicles for which mileage has been authorized.
 - (4) Purchases for subsistence, if per diem has been authorized.
 - (5) Purchases, by employees in official travel status, which were for official use but which were not paid for at time of purchase.

5. PROCEDURES FOR HANDLING STATE OR LOCAL TAXES. Upon receipt of vendor's billings:

- a. Determine whether or not the vendor's billing includes State or local taxes.
- b. Determine whether the State or local tax falls on the vendor or the buyer. If it is not apparent from the document or other sources of information where the tax falls, consult the appropriate legal counsel or taxing authority for an opinion.
- c. Tax exemption certificates shall not be used when taxes are under \$10.00. If the amount of the tax is over \$10.00 and the tax falls on the buyer, deduct the amount of tax and prepare SF 1094, U.S. Government Tax Exemption Certificate. Attach SF 1094 to a copy of the invoice and mail directly to the vendor.
- d. Prepare SF 1094 where the vendor's price includes State and local taxes which fall on the buyer, and the vendor has refused to sell at a price exclusive of the taxes. Show vendor and purchaser identification. After scheduling, annotate copies of the invoice "Refund to be Claimed," attach the SF 1094 and transmit to the appropriate accounting unit for billing the taxing authority for refund of the taxes paid.

SECTION 2. FEDERAL TAXES

1. FEDERAL EXCISE TAXES. Generally, the Department is required to pay Federal excise taxes. In most instances these taxes are not stated separately, but are included in the price of the item. Federal taxes that are of a recurring nature and applicable primarily to one operating administration should be provided for in the administration's accounting procedures and in their supplement to this manual. An example would be the aircraft fuel tax and aircraft use tax applicable to FAA aircraft as discussed below.
2. AIRCRAFT FUEL TAX.
 - a. General. Section 4041(c) of the Internal Revenue Code, as amended by PL 97-248, imposes a tax of 14 cents per gallon on gasoline and jet fuel used in noncommercial civil aircraft. DOT is required to pay tax on all aviation fuel used in DOT civil aircraft. This tax is normally included in the supplier's billing and paid as part of the purchase price of the fuel. The exception is aviation fuel purchased for delivery to DOT fuel storage tanks for subsequent issue to both taxable and non-taxable users. The Internal Revenue Service (IRS) regulations covering these tax-free sales and purchases can be found at 26 CFR 154.1-1.
 - b. Tax-free Purchases. In order to purchase the fuel tax-free, the accounting office must file in duplicate Form 637A, Certificate of Registry, with the appropriate District Director of Internal Revenue. A validated Form 637A constitutes acceptance by IRS that you are registered for the purposes of selling or purchasing fuel tax-free.
 - c. Taxable Issue and Sale of Fuel Purchased Tax-Free. A complete record of all fuel issued for use in DOT civil aircraft will be maintained as well as fuel sold to a purchaser subject to the tax. When fuel is sold to a purchaser subject to the tax, the billing will include the 14 cents per gallon tax. Billings for sale of fuel to the military will not include the tax since they are exempt from payment.
 - d. Payment of Tax for Taxable Issue and Sales. Payment of the tax will be made quarterly by the accounting office to IRS on Form 720, Quarterly Federal Excise Tax Return. The basis for determining the amount of the tax will be the number of gallons of fuel issued to DOT aircraft plus the number of gallons sold to purchasers subject to the tax, multiplied by 14 cents per gallon.

- e. Voucher Examiner. Determine that:
- (1) The number of gallons used in computing the tax is based on accounting records maintained for the purpose of disclosing fuel tax liability; and
 - (2) The computation for the amount of the tax paid is based on 14 cents per gallon times the number of gallon reported.
3. AIRCRAFT USE TAX. The Airport and Airway Revenue Act of 1970 (Section 4491 of the Internal Revenue Code) imposed a tax on the use of civil aircraft, including those owned and registered by DOT. This tax was repealed effective August 31, 1982 by PL 97-248, Title II, Section 280(c)(1), 96 Stat. 564.

CHAPTER 6. TRANSPORTATION VOUCHERS - GENERAL

1. GENERAL. This chapter prescribes procedures for the examination and payment of transportation services which are applicable to both passenger and freight transportation. The procedures are based on the regulations issued by the General Services Administration (41 CFR Part 101-41) in accordance with section 322 of the Transportation Act of 1940, as amended (31 USC 3726). Passenger and freight transportation are covered in Chapters 7 and 8 respectively.
2. EXCEPTIONS TO 41 CFR PART 101-41. Exceptions to the regulations issued by GSA in Part 101-41 shall be granted only by the Administrator of GSA or his/her designee. Within DOT, all requests for exceptions shall be made in writing to the Office of Financial Management (M-80). M-80 will serve as the single contact point between GSA and the Department.
3. EXAMINATION OF PAYMENTS, SETTLEMENT OF CLAIMS, AND REVIEW OF REQUIREMENTS. Section 322 of the Transportation Act of 1940, as amended (31 USC 3726), requires payment of carrier bills, in general, upon presentation and prior to audit by GSA. Further, provisions of P.L. 77-560 (31 USC 3528) relieve certifying officers of liability for overpayments made for transportation furnished on GBL's and GTR's when such overpayments are due to the use of improper transportation rates or classifications or to the failure to deduct proper amounts under agreements. The authority vested in GSA by 31 USC 3726, as amended, enables them to:
 - a. Examine, settle, and adjust accounts involving payments for transportation and related services;
 - b. Adjudicate and settle transportation claims by and against the United States; and
 - c. Deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due.
4. LIMITATION ON ADVANCE PAYMENT. The payment of charges in advance of completion of service shall be limited to passenger transportation services procured through the use of cash and freight transportation services procured through the use of commercial forms.
5. EXAMINATION OF TRANSPORTATION VOUCHERS. The examination of vouchers for transportation services should include, as a minimum, the following:
 - a. Matching of Documents. Upon receipt of vouchers, complete with supporting documents, from the carrier, the memorandum (obligation) copies of the GBL or GTR shall be removed from the unpaid file and matched with the originals attached to

the voucher by the carrier. If the voucher is received from the carrier prior to the receipt of the memorandum copy, payment to the carrier must not be delayed. In this event, a dummy copy of the GBL's or GTR's shall be prepared, duplicating the information shown on the original. This copy shall be annotated to reflect the Voucher-Schedule Number and placed in a pending file. When the memorandum copy of the GBL or GTR is received, transcribe all payment references to the memorandum copy and destroy the dummy copy.

- b. Completeness of Vouchers. Vouchers for transportation services will be examined to determine that:
- (1) Memorandum copy of the voucher and appropriate supporting GBL's or GTR's have been attached.
 - (2) The name and address of the proper bill-to office appear in the spaces provided on the voucher.
 - (3) The payee's name and complete address are shown in caption on the voucher.
 - (4) The payee's name in the caption of the voucher, in the payee's certificate, and in the check mailing stub are all in agreement. Insert any missing information during this review.
 - (5) The serial numbers of the attached original GBL's or GTR's are listed correctly on the voucher. Obvious discrepancies should be corrected without delaying payment to the carrier.
 - (6) The total amount claimed on the voucher is arithmetically correct.
 - (7) Alterations in the name of the payee or in the amounts claimed are initialed by a representative of the carrier. The initials should be those of the individual who completed the payee's certificate.
 - (8) The payee's certificate is properly executed. The certificate must bear the signature and title of the official signing for the carrier. Carriers may use a machine-typed name of the carrier's certifying official provided the machine-typed official's name is initialed by a duly authorized person; or carriers may use a facsimile signature of the carrier's certifying official, as authorized by that official (FPMR Amendment G-60).

6. OTHER REVIEW REQUIREMENTS. Examine vouchers without audit of rates. If otherwise proper, vouchers should be scheduled for payment without audit as to the technical correctness of rates, classifications, and other tariff information. In addition:
 - a. When vouchers are received which comprise both properly executed GBL's or GTR's and some which are either misaddressed or incorrect, those which are improper will be deleted and those which are correct should be approved for payment. The improper GBL's or GTR's will be returned to the carrier on DOT F 2750.1 with an explanation as to why they are returned. Under no circumstances should the entire voucher be rejected and returned to the carrier when some of the GBL's or GTR's attached thereto are proper for payment.
 - b. To avoid delaying payment to the carrier, approve vouchers for payment even though no prior obligation document has been received. In this event, a dummy copy should be prepared as outlined in paragraph 2a of this chapter. However, the practice of recording transportation charges as a direct expenditure (prior to receipt of the obligation document) shall be avoided whenever possible. The accounting office shall contact the issuing office and request that the obligation copy be forwarded as soon as possible, and in the event consistent delay is encountered in receiving obligation copies of transportation documents, appropriate corrective action shall be taken.
 - c. Certificates in lieu of lost GBL's and GTR's must be billed on a separate voucher by the carrier and should be checked against both the unpaid file and the paid file prior to being scheduled for payment. Records should be annotated to indicate payment has been made on the certificate in lieu of lost GBL or GTR to preclude payment upon subsequent presentation of the original GBL or GTR.
7. RETURNING VOUCHERS TO CARRIERS. Only those vouchers which are incomplete or incorrect to the extent that they cannot be certified for payment by the accounting office should be returned to the carrier. A voucher will not be returned for incorrect appropriation or accounting information if it is otherwise correct for payment. Responsibility for obtaining correct accounting data is with the agency and not with the carrier. Also, the burden and workload of locating the proper bill-to locations should not be shifted to the carrier. Therefore, every effort should be made by the accounting office to provide the proper bill-to location to the carrier when it is necessary to return GBL's or GTR's which have been misaddressed. Vouchers which are received from a carrier but which are applicable to another DOT bill-to location will be forwarded to the appropriate DOT accounting office for payment and not returned to the carrier.

CHAPTER 7. PASSENGER TRANSPORTATION VOUCHERS

1. PURPOSE. This chapter prescribes procedures for the examination and payment of passenger transportation services.
2. DOCUMENTATION. Passenger transportation services are billed by the carriers on SF 1113, Public Voucher for Transportation Charges. The voucher must be supported by the originals of SF 1169, U.S. Government Transportation Request or SF 1172, Certificate in Lieu of Lost U.S. Government Transportation Request.
3. EXAMINING SUPPORTING DOCUMENTS. Supporting documents should be examined as to correctness and completeness prior to approving the vouchers for payment. Charges for excess baggage are discussed in paragraph 4 below. The original SF 1169 should be examined and compared to the memorandum copy to determine that:
 - a. All the required information has been furnished.
 - b. The original and the memorandum requests are in agreement. See paragraph 5g, Chapter 9, for automated ticket procedures.
 - c. The description of the services requested is adequate. Obtain appropriate additional information from the traveler if necessary.
 - d. It is properly signed by the issuing officer.
 - (1) If an SF 1169 was issued for the transportation of the remains of an employee who dies while in travel status within the United States or on assignment outside the United States; or for an employee's dependent who dies while residing with an employee performing official duties outside the United States, or while in transit to or from such place of duty, the SF 1169 should bear the signature of the issuing officer. The name of the deceased should appear in the space provided for the traveler's name (e.g., "John Doe, Deceased").
 - (2) When SF 1169's are issued for the transportation of an employee and his/her immediate family upon change of official station, one request may be signed by the employee as issuing officer if shown for self and party. If the employee did not travel with his/her family, the employee or some other issuing officer issues the SF 1169 and the spouse or dependent is shown as the traveler. The "spouse" block should be checked and the name of the spouse listed if accompanying the traveler. The names and ages of any

dependent children that will accompany the traveler should be shown. If this was not done at the time the tickets were procured, such information must be entered on the original SF 1169 at the time examination is made of the carrier's bill.

- e. The payee's name indicated on the SF 1169 is the same as the payee's name indicated on the voucher. If a difference exists, determine whether the traveler recorded on the reverse side of the SF 1169 the name of the carrier which actually furnished the transportation, and determine if it coincides with the payee's name on the voucher. Suspend the item if information as to carrier used cannot be obtained from the traveler.
- f. The SF 1169 issued to cover supplemental charges is cross-referenced to the voucher on which the original SF 1169 was paid. Do this by citing the disbursing officer's symbol, the disbursing officer's voucher number, the agency voucher number, and the date of payment.
- g. The accounting data is shown on the SF 1169 in the space provided for "Fiscal Data." If the original SF 1169 fails to show this data, transcribe the data from the memorandum SF 1169 or the travel order to the original SF 1169. When one SF 1169 covers transportation chargeable to more than one appropriation indicate the amount chargeable to each.

4. AIR EXCESS BAGGAGE.

- a. Cash shall generally be used to pay for the air carriage of authorized excess baggage when the cost is \$15 or less for each leg of a trip. When the charges will exceed \$15, the air carrier to which the GTR is presented shall prepare one or more sets of a Government excess baggage authorization/ticket (GEBAT) to provide a separate coupon for each change of flight, carrier or stopover. It is essential to the payment process that the GTR voucher, the name and address of the office to be billed, and the name of the authorized traveler be completely and accurately entered on the GEBAT.
- b. Each carrier that is to provide excess baggage service shall complete the pertinent coupon to show the gross and net weights or number of pieces of baggage carried. The coupon will then be used by the carrier to support the subsequent billing of charges. The carrier providing the service may bill its charges direct to the paying office or may forward the coupon to the carrier to which the GTR was tendered for billing.

5. UNUSED TICKET REFUND PROCEDURES.

- a. General. These procedures are based on the GSA regulations on unused ticket refund procedures published as 41 CFR 101-41.2. Examiners shall not revise carrier bills or require carriers to rebill items to recover from carriers the value of unused or unfurnished transportation. The exception to this concerns foreign-flag carriers and is covered in paragraph 7 below.
- b. Ticket Exchange.
 - (1) Accounting offices shall not submit an SF 1170, Redemption of Unused Tickets, to the carrier to receive a refund for the unused value of an exchanged ticket or returned ticket when the carrier has issued a receipt or a ticket refund application. Carriers are required to make refunds to the "bill charges to" office indicated on the GTR within 60 days from date of ticket exchange. If carriers cannot identify the issuing agency, they will send the refunds directly to GSA (BWCA), Washington, D.C. 20405. Any refunds sent directly to GSA are subject to the following procedures:
 - (a) Carriers must include the GTR number, the ticket number, the amount being refunded, and any other information pertinent to the refund.
 - (b) Accounting offices shall make written inquiry directly to the carrier to obtain the above information for the purpose of recovering the refund from GSA.
 - (2) Accounting offices awaiting exchanged or returned ticket carrier refunds shall:
 - (a) Obtain carrier refund applications from travelers for accounting purposes.
 - (b) Record and deposit refunds in conformity with the administration's accounting procedures.
 - (c) Forward carrier refund applications and any other pertinent information to GSA (BWAB), Washington, D.C. 20405 if refund has not been received within 90 days of date of ticket exchange or return.

c. Unused Tickets.

- (1) Accounting offices shall make demand for unused tickets (tickets that have not been exchanged and on which all or some portion of travel remains unperformed) through the use of SF 1170. A separate SF 1170 must be used for each GTR, though more than one ticket or adjustment transaction may be related to that GTR. Each ticket must be listed on the redemption form.
- (2) Timely processing of SF 1170 is essential to facilitate prompt refunds from carriers. Accounting personnel processing the SF 1170 shall ensure that:
 - (a) All copies clearly show the required details;
 - (b) The original and duplicate copy, together with pertinent unused tickets, are promptly forwarded to the carrier; and
 - (c) All other copies are retained by the accounting office for accounting control.
- (3) The carrier is required to return the original SF 1170 with the refund to the submitting accounting office. A refund that is inconsistent with the information on the SF 1170 must be adequately explained by the carrier. If a carrier is unable to determine which accounting office submitted the SF 1170, the payment and refund information will be sent directly to GSA (BWCA). Any refunds sent directly to GSA will be subject to the procedures outlined in paragraphs 5b(1) above and 5d below.
- (4) After the refund has been deposited and within 30 days of receipt of the refund, the accounting office will forward the original SF 1170, together with any advice from the carrier regarding the basis of the refund, to GSA (BWAB).
- (5) If the carrier has failed to make refund within 90 days of the SF 1170 issuance date, and has not furnished a satisfactory explanation, the accounting office shall transmit the triplicate copy of the SF 1170 and all related correspondence to GSA (BWAB) for appropriate action.

- d. Carrier Refunds Sent Directly to GSA. To recover carrier refunds sent directly to GSA (BWCA), accounting offices must forward an SF 1081 to GSA (BWCA). Included must be the name of the carrier, carrier check number, date, and amount of check (obtained from the carrier) as well as the GTR number and the appropriation number to be credited. In the event that the check number, date, and dollar amount of refund checks is not readily available from the carrier, accounting offices may review GSA's accounting records to identify refunds due. Contact GSA (BWCA) to make arrangements. Refunds from carriers which are not identified and claimed by accounting offices within 300 days after receipt by GSA (BWCA), will be deposited by GSA with the Treasury as miscellaneous receipts.
6. BILLINGS FROM FOREIGN-FLAG CARRIERS. Examine passenger transportation vouchers submitted by foreign-flag carriers as outlined above for regular passenger transportation. In addition, determine whether the use of other than American vessels or airplanes was authorized and the justification entered on or attached to the travel order or other authorizing document. If not attached, obtain the justification unless it is determined that the use of foreign vessels or planes was unauthorized.
7. FOREIGN-FLAG CARRIER TRANSPORTATION REFUNDS.
 - a. Except for Canadian and Mexican carriers, or foreign-flag carriers maintaining billing offices in the United States, SF 1170 and related procedures shall not be used when unused passenger transportation services billed by foreign-flag carriers are involved.
 - b. Accounting offices shall effect recoveries for the unused services by deduction or setoff from the foreign-flag carriers' unpaid bills. Adjustment for unfurnished transportation services shall be noted on the deduction voucher with a full description of each unused or partially unused ticket. The unused or partially unused ticket shall be sent to the carrier and a copy of the transmittal letter should be attached to the deduction voucher involved.

CHAPTER 8. FREIGHT TRANSPORTATION VOUCHERS

1. PURPOSE. This chapter prescribes procedures for the examination and payment for freight and express transportation and related services.
2. DOCUMENTATION.
 - a. All charges are billed by carriers on SF 1113, Public Voucher for Transportation Charges and Memorandum Copy, SF 1113A, except for small domestic shipments under \$100. Small shipments moving on commercial forms will be billed to the Government using the carrier's commercial invoices. Accounting organizations should obtain copies of the GSA publication "How to Prepare and Process U. S. Government Bills of Lading" (National stock number 7610-00-682-6740). This guide outlines the requirements and use of the forms and related procedures and will be particularly helpful to the voucher examiner. Copies can be obtained by submitting a requisition in FEDSTRIP/MILSTRIP format to the GSA regional office providing support.
 - b. The basic distribution of GBL's is as follows:
 - (1) SF 1103, U. S. Government Bill of Lading - Original, contains the terms and conditions, description, and certificate of delivery. The SF 1103 must be given to the initial carrier or his agent at the time the shipment is tendered. The SF 1103 becomes the supporting documentation for the voucher covering the transportation charges.
 - (2) SF 1103A, U. S. Government Bill of Lading - Memorandum Copy, is used by the shipper for fiscal and administrative purposes.
 - (3) SF 1103B, U. S. Government Bill of Lading - Memorandum Copy-Consignee, is furnished to the consignee by the shipper at the time the original GBL is tendered. The SF 1103B also provides instructions to be taken by the consignee on the receipt of shipment at destination and for reporting loss or damage.
 - (4) SF 1104, U. S. Government Bill of Lading - Shipping Order, is retained by the carrier agent at the shipping point.
 - (5) SF 1105, U. S. Government Freight Waybill - Original, accompanies the shipment. If the original GBL is lost or destroyed, this copy is used as the substitute billing document.

- (6) SF 1106, U. S. Government Freight Waybill - Carrier's Copy, is for disposition by the carrier.
- (7) SF 1203, U. S. Government Bill of Lading - Privately Owned Personal Property (Original), is used for shipping privately owned personal property, unaccompanied baggage, and mobile homes. Its use is mandatory for the Department of Defense, but is optional on the part of other Federal agencies.

c. The use of a transit GBL is for reshipping privileges while in transit. This action allows shippers to stop shipments for the purpose of temporary storage, fabrication, etc., without losing the advantage of a through rate between origin and destination. The distribution of transit GBL's is the same as regular GBL's as described in paragraph 2b above. The format and preparation are the same as a regular GBL except for the addition of the portion entitled "Transit Reshipping Certificate - Inbound Billing References." The following is a list of transit GBL's used for transit shipments:

- (1) SF 1131, U. S. Government Transit Bill of Lading - Original
- (2) SF 1132, U. S. Government Transit Bill of Lading - Shipping Order.
- (3) SF 1133, U. S. Government Transit Freight Waybill - Original
- (4) SF 1134, U. S. Government Transit Freight Waybill - Carrier's Copy.
- (5) SF 1131A, U. S. Government Transit Bill of Lading - Memorandum copy.
- (6) SF 1131B, U. S. Government Transit Bill of Lading - Memorandum Copy-Consignee.

3. EXAMINATION OF SUPPORTING DOCUMENTS. The SF 1113 and supporting documents (GBL's) will be examined as to correctness and completeness prior to scheduling the vouchers for payment. The supporting documents consist of six basic forms and corresponding continuation sheets. Likewise, transit and personal property GBL's consist of six basic forms and continuation sheets and are distributed the same as regular GBL's. The examiner should determine that the Standard Carrier Alpha Code (SCAC) identifier is entered on each SF 1113. If the code is omitted, the forms and all supporting papers should be returned to the carrier unpaid with a request that the SCAC be added to the forms (41 CFR 101-41.401(b)).

- a. The original GBL attached to the voucher (SF 1113) should be examined to determine that:
 - (1) The name of the transportation company, shipping point, name of shipper, consignee, and destination are entered.
 - (2) The appropriation to be charged is entered into the block titled "appropriation chargeable."
 - (3) The total number of each type of package applicable to each group of articles is opposite the related description of such articles. Also, the weight of each package is opposite the description of the package.
 - (4) The class, rate and charges are shown in the block "For Use of Destination Carrier Only." The SF 1103A section will be blank, the issuing officer should use this space to show estimated charges. If the unit rate (or symbol signifying minimum charge) or the total has been omitted, the GBL should be returned to the carrier.
 - (5) The dollar amount is correct (rate times the gross weight). Compare this amount with that listed on the SF 1113.
 - (6) The name of the destination carrier and signature of carrier's authorized agent are entered at the bottom of the GBL. This provides evidence of delivery.
 - (7) Statements are signed at point of origin or destination when pickup, trap car, or delivery service was furnished.
 - (8) If higher charges are shown because of accessorial or special services, they are factually supported and the GBL contains a certification by the carrier that such services were provided.
 - (9) On reconsignment and diversion, the carrier will transmit the original copy of the written consignment to the last line-haul carrier where it will be combined with the bill for line-haul transportation charges.
 - (10) A transcription to the memorandum copy is made on completion of the review of the GBL to show the date examined, voucher number, amount and the billing carrier.

- b. A separate SF 1113 is required for GBL's covering shipment of employee's household goods and personal effects. Refer to the employee's travel order to determine authorized allowances. The following steps are:

(1) Within the 48 Contiguous States. Verify that:

- (a) The employee has executed a transportation agreement. Refer to the employee's travel order to determine whether or not the agreement has been executed.
- (b) The weight of employee's household goods and personal effects does not exceed the maximum allowable weight limitation. 1/
- (c) The shipping charges do not include charge for excess weight. If so, determine that the employee is billed for the amount applicable to the excess weight. 1/
- (d) Shipment for civilian employees was effected within two years (three years, if one year extension is granted) following the effective date of employee's transfer.
- (e) Temporary storage of household goods and personal effects of civilian employees did not exceed 90 days. An additional 90 days may be allowed if an extension is approved.
- (f) The shipment did not exceed the cost of transporting the property in one lot by the most economical route from the last official station of the transferring employee (or the place of actual residence of the new appointee at a time of appointment) to the new official station. Determine the comparable distance involved by reference to the Household Goods Carrier's Mileage Guide. 1/
- (g) Nontemporary storage was authorized in the travel order and involved an isolated post of duty.
- (h) Authorization was granted covering the transporting of a portion of the employee's household effects to an isolated official station and the remainder to storage at Government expense.

1/ In some administrations, the responsibility for these verifications may be with the Transportation Officer.

- (i) Charges for temporary and nontemporary storage are supported by warehouse receipts.
 - (j) Payment of nontemporary storage for civilian employees is not made for more than one year at a time and the total storage time does not exceed three years. SF 1113, or a purchase order, may be used to pay for nontemporary storage. Eligibility for nontemporary storage terminates on the employee's last day of duty at the isolated official station. When an employee ceases to be eligible, nontemporary storage may continue until the beginning of the second month after the month in which eligibility terminates.
 - (k) Charges relating to services such as packing, crating, drayage, unpacking, uncrating, and temporary storage were itemized so as to show the charge for each service.
- (2) Outside the 48 Contiguous States. In addition to the items to be verified relating to shipments within the 48 contiguous United States described in paragraph 3b(1) above, also determine that:
- (a) All bills submitted by freight forwarders or household goods transporters for ocean shipments are supported by the carrier's commercial bill of lading or a U. S. Government Bill of Lading.
 - (b) The use of U.S.- flag vessels for the transportation of employee's personal effects and the use of U.S.- flag air carriers for any Government-financed movement of freight by air is required by statute (46 USC 1241 and 49 USC 151). The Comptroller General will disallow any expenditures for foreign-flag ocean transportation of personal effects or non-American-flag air transportation of freight, unless there is attached to the payment voucher a signed certification obtained from the agency official authorizing the use of a foreign flag vessel. This certification should be substantially as shown in 4 CFR 52.2(d)(1).
 - (c) In cases where furnished or partly furnished quarters have been provided, the weight of household goods and personal effects shipped and stored at Government expense does not exceed the maximum allowable limitation.

- (d) When property is crated, the net weight is computed at 60% of gross weight, unless unusually heavy crating is used in which case less than 60% may be used if supported by a statement of justification.
 - (e) When special containers (lift vans, CONTEX transporters, etc.) are used, the net weight is computed by subtracting the tare weight of the container from gross weight of property and taking 85% of the difference. Bill of lading should show both gross and tare weight.
 - (f) Charges for packing and crating do not include charges in connection with any shipment of empty lift vans, or for storage, or import duties on lift vans.
 - (g) Authorization and justification of nontemporary storage is contained in the travel order.
 - (h) The authorization for nontemporary storage period for civilian employees did not exceed the period of the tour of duty overseas, plus one month prior to the time the tour begins. If the storage continues, verify that the employee has signed an agreement for an additional tour of duty. If an employee does not complete the tour of duty, payment for nontemporary storage may continue until the beginning of the second month after the month in which the employee performed the last day of duty at the duty station.
 - (i) The employee is eligible for return transportation of household goods. If the goods, all or part, are shipped prior to the return of the employee, the shipments in the aggregate do not exceed the weight limitations.
- c. Ocean Freight Shipments. When the SF 1113 covers ocean freight shipments, the carrier may support his billings with the standard U. S. Government Bill of Lading or a commercial bill of lading. The carrier is not required to execute the consignee certificate of delivery. Determine that:

- (1) Commercial bill of lading is stamped or overprinted as shown below:

Terms and Conditions for Commercial Bill of Lading
"This shipment is made under all terms and conditions of the U. S. Government Bill of Lading and is subject to the terms and conditions set forth in 41 CFR 101-41.302-3."

- (2) The date on which shipment departs from point of origin is shown on the face of the SF 1113.
- (3) Billings are not paid prior to arrival of the vessel at the destination port or 30 days after the cargo has been loaded aboard the vessel at origin, whichever is earlier.

d. Transportation of Mobile Homes. Determine that:

- (1) Employee has certified on the travel order (or other approved form) that the mobile home shipped is for use as a residence for the employee and immediate family at the destination.
- (2) Costs of preparing mobile homes for movement, maintenance, repairs, storage, insurance for valuation above carriers' maximum responsibility and cost of special service are not included in carrier's billing. If included, prepare an exception so that the amount due from the employee for such unallowed expenses can be collected in accordance with agency collection procedures.
- (3) The transportation of the mobile home was within the geographic limits specified in Chapter 5, Section 4, DOT 1500.6, Travel Manual.
- (4) The total amount to be paid for transporting the mobile home did not exceed the maximum amount otherwise allowable for transportation and 60 days temporary storage of employee's household goods and personal effects. If the maximum has been exceeded, collection should be effected from the employee in accordance with agency collection procedures.

4. LOST OR MISSING GBL. The original GBL is the document that the carrier used to bill for transportation services rendered. In the event the original GBL cannot be located, the billing carrier, after certification by the issuing office, uses the Freight Waybill - Original (SF 1105 or SF 1133) as a substitute document for submission for payment along with the SF 1113. This document will include an endorsement on the reverse side to indicate the condition of the shipment upon receipt at destination. For more information on lost GBL's, see 41 CFR 101-41.307.
5. CONVERSION OF COMMERCIAL BILLS OF LADING TO GBL's. Payment of transportation charges to commercial carriers ordinarily will not be made on commercial documents except for small domestic shipments not exceeding \$100. However, in unusual circumstances requiring the use of commercial documents, a notation must be placed on the original and all copies of the commercial document, as follows: "To Be Converted to a U. S. Government Bill of Lading." There are two different procedures to be followed:
 - a. When the original commercial bill of lading was not provided to the original carrier it should be forwarded by the shipper to the office that authorized the shipment. The authorizing office should prepare a GBL and attach it to the commercial bill and forward both documents to the origin carrier for transmittal to the destination line-haul carrier for billing upon delivery of the shipment.
 - b. When the origin carrier's agent requires the original commercial document at the time of shipment the carrier will certify on the original and all copies of the commercial document that the carrier received the original document. The shipper will forward the certified copy of the commercial document to the authorizing office for preparation of the GBL and in turn will forward the GBL to the origin carrier for transmittal to the destination line-haul carrier. The commercial documents will be attached to the GBL and bill upon delivery of the shipment.
 - c. For more information on conversion of commercial bills, see 41 CFR 101-41.303.
6. LOSS OR DAMAGE TO DOMESTIC SHIPMENTS. The carrier may report loss or damage to the accounting organization by attaching to the GBL a carrier's over, short, or damage report or a properly annotated copy of the delivery document. At the time of delivery the consignee may note on the carrier delivery documents any loss or damage. This notation should be acknowledged by the signature of the carrier's agent. Accounting organizations are authorized but not required

to observe a minimum of \$25 in processing loss and damage against carriers and absorbing amounts falling below that minimum (CG B-117604 (17), of 9-17-76). The procedures for filing claims against carriers can be found in 41 CFR 101-40.710 and DOT 2770.9A, Employee Claims Manual.

7. DUPLICATE PAYMENT-STATUTE OF LIMITATIONS. The Interstate Commerce Act (I.C. Act) contains provisions for the establishment and collection of transportation rates and charges by interstate carriers. Under these provisions, carriers may collect only the exact tariff-published rates and charges applicable to the transportation services provided. Should overcharges occur, refunds may be claimed from the carriers, subject to a 3-year statute of limitation beginning from the date of shipment delivery (the examination for rate overcharges is done by GSA). Such overcharges, however, are not to be confused with duplicate payments of freight bills. The ICC, by Decision No. 36062, served August 13, 1975, has ruled that duplicate payments are not overcharges under section 16(3)(c) of the I.C. Act and, therefore, claims for refund of duplicate payments are subject to the appropriate State statute of limitation applicable to each cause of action, not to the 3-year limitation imposed by the I.C. Act on recoveries of overcharges. Accounting organizations receiving denials of claims for refund of overpayments from carriers which are based on the expiration of a statute of limitation shall review such denials, in consultation with necessary legal counsel, to ensure that in cases of duplicate payments, the applicable State statute of limitation, not the 3-year limitation provided in the I.C. Act, has been applied.

CHAPTER 9. CIVILIAN TRAVEL VOUCHERS

1. GENERAL. The primary objective in the examination of travel vouchers is to determine that the travel has been performed in conformance with applicable travel regulations and authorized travel orders, and that the voucher accurately reflects the travel performed and the expenses incurred. Examiners should be ready to assist employees in the preparation of travel vouchers. Examiners shall process travel vouchers promptly. A voucher should not be held for clarification of an issue, instead doubtful items will be disallowed and the balance of the voucher will be processed for payment.
2. REFERENCES.
 - a. Civilian employee travel is authorized and reimbursement claimed in accordance with DOT 1500.6, Travel Manual (as supplemented by DOT Notices and policy memorandums), other DOT orders in the 1500 series, and supplemental OST and operating administration policies and procedures. When applicable, reference should be made to State Department regulations for employees stationed overseas and to the Joint Travel Regulations for military travel (see paragraph 112, DOT 1500.6).
 - b. Government travel directives are in a continuous state of change due to Federal Travel Regulation changes, Comptroller General decisions and policy decisions, etc. It is therefore important that travel voucher examiners be kept current when these changes are published.
3. AUTHORIZATIONS AND APPROVALS.
 - a. Authority to Perform Travel. Departmental travel authorization policy is contained in Chapter 2 of DOT 1500.6 as supplemented periodically by DOT Notices and policy memorandums. The policy directives describe the types of travel authorizations to be used and list the various categories for purpose of travel. All vouchers must clearly state the purpose of travel in consonance with the purpose categories provided. The voucher examiner should be aware of the differences between authorization and approval. Authorization is given before the travel takes place. Approval occurs after the travel is completed (see Section 3, Chapter 1, DOT 1500.6).

- b. Administrative Approval. The travel voucher must be administratively approved by a reviewing official who has knowledge of the facts relating to the travel. This will normally be the traveler's supervisor who has immediate knowledge of the travel. The approval shall be accepted as evidence that the travel was performed in accord with the travel order and that the items of expense claimed which are not previously authorized by the order are approved for reimbursement. As an integral part of assuring an adequate system of internal control, the voucher examiner must be alert for any item on the voucher or the method in which the employee performed the travel that appears questionable. If necessary, further clarification will be obtained from the travel and/or the approving official.
 - c. Approval on Vouchers. Where items of expense, such as use of special conveyances, extra fare transportation or excess baggage charges have not been authorized in the travel order, the travel voucher must be signed by a designated official who has authority to approve such expenses before reimbursement may be made.
 - d. Lists of Authorizing Officials. Voucher examiners are required to verify that persons signing as travel authorizing officials have been so designated in DOT regulations or delegation-of-authority issuances.
4. EXAMINATION OF TRAVEL ORDER AND TRAVEL VOUCHER. The travel order should be checked for completeness. Verify that items of expense claimed on the travel voucher were either authorized in the travel order or approved on the travel voucher. Annotate the travel voucher with any additional information secured from the traveler in support of amounts claimed, if such information is required. Check the travel voucher against the travel order to verify that:
- a. The number and date of the order and amendments, if any, are correctly shown on the voucher.
 - b. The dates shown for the period of travel are in accord with the approximate period shown on the order.
 - c. The name of the traveler is identical on both documents and the voucher is certified by the traveler in the same manner.
 - d. The official headquarters is the same.
 - e. The points of travel are within the scope of the order.
 - f. The voucher is signed by the proper approving official.

- g. The subsistence rate claimed does not exceed the rate authorized.
 - h. The mode of travel used is authorized on the order or approved on the voucher.
 - i. The mileage rate claimed for travel by privately owned vehicle is appropriate.
 - j. A comparative cost statement is provided when required.
 - k. Expenses in connection with change of official station are authorized.
 - l. The travel order indicates that all required agreements were furnished, or are attached, in connection with change of official station, new appointments, home leave and training.
5. VERIFICATION OF COMPLETION OF TRAVEL VOUCHERS. Instructions for preparing travel vouchers are contained in Chapter 11, DOT 1500.6. Check the following on the travel voucher:
- a. Applicable Organization. Administration, service, office, division, etc. should be shown.
 - b. Payee's name and mailing address.
 - c. Official Duty Station. This should be the traveler's official station at the end of the travel period. If the voucher covers travel in connection with a change of station, or if the duty station is other than that indicated on the last travel voucher, verify that a travel order indicating change of station has been received.
 - d. Period of Travel. The travel expenses claimed on the voucher must be incurred during an authorized period of travel directly related to the approximate period indicated on the order; and the entire period of travel must be accounted for on the voucher.
 - e. Travel Advance. If an advance of funds is outstanding, this section of the form must be completed. If the spaces are not completed, apply the amount of the voucher against the advance unless advised otherwise by the approving official.
 - f. Date and Hour of Departure and Arrival Time. If the traveler was at a temporary duty station on the first day of the period covered by the voucher, the date and hour of departure from the official duty station and the date and hour of arrival at the temporary duty station should be shown on the voucher.

- g. Transportation Requests Issued. The SF 1169b, memorandum copy of the U.S. Government Transportation Request (GTR), must be attached to and listed on the voucher. An exception to this requirement is when tickets are issued under a single GTR used as part of the automatic payment procedure. In these instances, only the GTR number needs to be on the voucher. Unused tickets or portions thereof must be attached and noted on the voucher with an explanation of the circumstances for nonuse. Verify that in listing the SF 1169b, the traveler shows the valuation of the ticket, initials of the carrier, mode and class of service, date of issuance, and points of travel. For change of station, verify that the memorandum SF 1169b shows the names and dates of birth of dependent children, if applicable. If not shown, enter the information from the voucher and transcribe to the original copy of the GTR when received.
- h. Rental of Commerical Motor Vehicles. The examination procedures for rental of commercial motor vehicles are covered in paragraph 9 of Chapter 3. The general requirements for use or rental vehicles in conjunction with official travel can be found in Section 5, Chapter 4, DOT 1500.6.
- i. Purpose of Travel. The voucher must clearly state, if not previously included in the travel order, the specific purpose of travel and be in agreement with the general purpose categories provided in Attachment 1, DOT N 1500.42, or other appropriate directive. Vouchers which do not meet this requirement should be returned without final processing.
- j. Accommodations.
- (1) General. Travelers are entitled to transportation accommodations and service which meet reasonable and adequate quality standards for convenience, safety and comfort. Accommodation entitlements can be found in Chapter 4, DOT 1500.6.
 - (2) Other Than Air. Travelers will normally be provided accommodations not to exceed the lowest first-class rate of service via the facility used.
 - (3) Air. It is Departmental policy that all employees and others use less-than-first-class air accommodations. The circumstances for using first-class air accommodations are contained in Section 2, Chapter 4, DOT 1500.6. The authorization or approval of first-class air accommodations must be by Secretarial Officers and their deputies and Administrators and their deputies. Redlegation has not been authorized.

- (4) Contract Air Service. The GSA has contracted with certified air carriers to furnish air passenger transportation for official Government travel at reduced fares between selected city-pairs. The list of city-pairs contract airlines is published monthly by GSA. The Department's implementing directive is DOT 1500.7A, Contract Air Service. The use of noncontract air carriers requires a certification on the voucher in accordance with paragraph 9, DOT 1500.7A.
- (5) U.S. Flag Ships and Planes. The use of other than a U.S. Flag plane must be authorized on the travel order or approved on the travel voucher by an authorizing official. The use of other than a U.S. Flag ship must be supported by satisfactory proof of necessity attached to the travel voucher. See Section 1, Chapter 4, DOT 1500.6.
- k. Common Carrier Promotional Efforts. Departmental guidance for the accountability and disposition of reduced fare coupons and other promotional gratuities given by common carriers is contained in DOT 1500.8, Common Carrier Promotional Efforts, of 4-5-82. Some of the key provisions are:
 - (1) Promotional items are the property of the Government;
 - (2) Prizes, on the other hand, are the property of the employee (Comp. Gen. Decision B-199656, 7-15-81); and
 - (3) The traveler is responsible for turning in the promotional item along with the travel voucher.

6. SUBSISTENCE COMPUTATION.

- a. General. The Department's rules on subsistence allowances are found in Chapter 7, DOT 1500.6, as supplemented by periodic DOT notices to provide the latest approved rates. The term "subsistence allowance" as used with travel covers food, lodging and authorized miscellaneous expenses. Reimbursement categories for subsistence will normally fall under (1) per diem, (2) high rate geographical area (HRGA), or (3) actual expense under unusual circumstances. The HRGA subsistence is based on actual expenses limited to the maximum established by GSA.

- b. Location Determines Subsistence Reimbursement. The location of the temporary assignment will determine whether per diem or actual expenses are appropriate. When travel is to both a per diem area and an HRGA, or two or more HRGA's, the location of the temporary assignment where the duty is completed for the day will determine both the method and rate of reimbursement for that day.
 - c. Voucher Review. The voucher examiner must determine that the subsistence rate claimed on the voucher is in accordance with current Departmental directives and that the computation is correct.
7. MILEAGE ALLOWANCE FOR USE OF PRIVATELY OWNED CONVEYANCE. The examiner is responsible to verify that claims for reimbursement for mileage allowance are in compliance with the Department's regulations for use of privately owned conveyances found in Chapter 8, DOT 1500.6.
- a. Proper Rate. Determine that the proper rate was used to compute the mileage allowance for the type of travel involved.
 - b. Authorization and Approval. Determine that the necessary authorization or approval is provided. The use of a privately owned conveyance may be authorized or approved as advantageous to the Government or undertaken through the personal preference of the traveler. The Department's rules on "personal preference" can be found in paragraph 831, DOT 1500.6.
8. MISCELLANEOUS EXPENSES. Verify claims for reimbursement for miscellaneous transportation and other expenses for compliance with DOT 1500.6. Determine that receipts are attached to the voucher, when required.
9. TRAVEL FOR TRAINING AND TO ATTEND MEETINGS. The basic authority for civilian employees to travel for training and to attend meetings is contained in 5 USC 4109, 4110. The basic authority for reductions in training and meeting travel allowances is 5 USC 4111(b). See Section 2, Chapter 9, DOT 1500.6 for Departmental guidance on meeting attendance.
- a. Authorization or Approval. Determine that the travel has been properly authorized or approved, and whether the training is at a DOT location or is "outside" training, and in the case of meetings whether all or part of the travel expenses are to be paid. If the travel involves outside training, verify that an agreement has been furnished by the employee, and all supporting documentation has been submitted.
 - b. Per Diem and Mileage Allowance. Verify the rates and computation.

- c. Movement of Household Goods. If the travel order authorizes the shipment of household goods in lieu of payment of temporary duty per diem, verify that payment is in accordance with applicable regulations.
 - d. Reduction for Contributions and Awards. If the travel order contains a statement regarding contributions or awards covering travel or transportation expenses, reduce the amount of reimbursement so that employee will receive in the aggregate from DOT and private sources no more than the amount the employee would have received from DOT alone.
10. RECEIPT REQUIREMENTS. Receipts are required to support allowable cash expenditures in excess of \$15, plus any applicable tax, and all transportation expenses (except local transportation) regardless of amount. Also, lodging receipts are generally not required when the employee is being reimbursed on a per diem basis. Receipts must be numbered consecutively commencing with No. 1 for each travel voucher. If it is impractical to obtain a receipt, an explanation of the reason therefor should be made by the traveler on the voucher and be approved by an authorizing official.
11. PERMANENT CHANGE OF STATION (PCS). Verify that claims for reimbursement for change of official station travel of employee and immediate family, movement of household goods and residence transaction expenses are in accordance with applicable regulations. The basic references are:
- a. Section 2, Chapter 3, DOT 1500.6, prescribes the procedures relating to authorization and approval of PCS travel.
 - b. Chapter 5, DOT 1500.6, covers the regulations and other pertinent information relative to allowable transportation of family, and shipment of household goods, mobile homes used as residences, and privately owned conveyances.
 - c. Chapter 6, DOT 1500.6, covers other PCS-related allowances such as round trip travel to seek permanent residence quarters, temporary quarters allowances, expenses incurred in real estate and unexpired lease transactions, and allowances for miscellaneous expenses.

Note - It is important that the voucher examiner review the parts of DOT 1500.6 applicable to the PCS voucher being examined.

12. TRAVEL AND TRANSPORTATION IN CONNECTION WITH LEAVE BETWEEN TOURS OF DUTY.

Verify claims for reimbursement for travel and transportation for taking leave between tours of duty outside the 48 contiguous states. See Section 3, Chapter 4, DOT 1500.6. Assure that:

- a. The travel and transportation expenses were authorized in a travel order, and an agreement to serve another tour of duty at the same or another post overseas was signed by the employee.
- b. Per diem and transportation or mileage allowances were computed correctly.

13. WITHHOLDING INCOME TAX ON REIMBURSEMENT AND ALLOWANCES FOR CERTAIN EXPENSES IN CONNECTION WITH A PERMANENT CHANGE OF STATION. The enactment of the Tax Reform Act of 1969 (Public Law 91-172, December 30, 1969), as amended by the Tax Reform Act of 1976 (Public Law 94-455, October 4, 1976), broadened the scope of moving expenses which may, for income tax purposes, be deducted by an employee from gross income, and for which the related reimbursement or allowance is not subject to tax withholding.

- a. Federal Income Tax. Withhold Federal income tax at the rate of 20 percent on reimbursement of moving expenses within the following prescribed limitations:
 - (1) The aggregate amount reimbursed in excess of \$1,500 for a househunting trip (including per diem and the value of any transportation requests involved) and temporary quarters.
 - (2) The aggregate amount reimbursed in excess of \$3,000 for the sale and/or purchase of a residence, or lease expense, reduced by the aggregate reimbursed (not in excess of \$1,500) for the househunting trip and temporary quarters. For example, if the employee is reimbursed \$1,200 for a househunting trip and temporary quarters, any amount reimbursed over \$1,800 for the sale and/or purchase of a residence or unexpired lease would be taxable at the 20% rate.
 - (3) Allowances for miscellaneous moving expenses.

- b. State Income Tax. It is not considered practical to withhold State income tax from reimbursements and allowances involving a permanent change of station. However, the gross amount paid will be included on the W-2, Wages and Tax Statement, furnished to the proper State in accordance with existing agreement between the State and the Treasury Department. The employee will make such adjustments in his gross income as provided by the State when he files his State tax return.

c. Withholding Tax on Travel Voucher.

- (1) Compute the Federal income tax at a flat 20% rate without regard to exemptions. Show the computation on the reverse of the travel voucher or on an attached sheet. The computation shall include a listing of the items and the amounts taxable plus the total tax withheld. For example, assume the total amount of the voucher is approved for \$3,300 with \$1,000 to be applied against the employee's travel advance. The voucher consisted of the following items:

	<u>Nontaxable</u>	<u>Taxable</u>
(a) Transportation and per diem in connection with a househunting trip and temporary quarters.	\$1,200	
(b) Expenses for the sale and purchase of a residence (total \$2,100).	<u>1,800</u>	<u>\$300</u>
TOTAL	<u>\$3,000</u>	<u>\$300</u>

- (2) Enter the tax on the front of the travel voucher in the following manner:

Total verified correct for charge to appropriation(s)	\$3,300
Deduct: Federal tax (20% of \$300)	60
Applied to travel advance	<u>1,000</u>
Net to Traveler	<u>\$2,240</u>

- (3) The amount of the Federal income tax withheld shall be scheduled for payment to the Federal Reserve Bank for credit to the Internal Revenue Service.

d. Notification to the Payroll Office.

- (1) All amounts paid as reimbursement or allowances for moving expenses should be included in the gross income of each employee involved and shall be reported on Form W-2, Wage and Tax Statement. The amounts paid which were not subject to tax withholding shall be reported on Form W-2 as "wages paid subject to withholding." DOT F 2750.1 will be prepared in duplicate to convey the following required information to the payroll office for the updating of payroll records and subsequent reporting on the employee's W-2:

(a) Total Amount Taxable and Total Amount of Tax Withheld.

These amounts are obtained from the reimbursement voucher and should reflect the amount of the reimbursement that is subject to tax and the amount of tax withheld. These amounts should be shown on DOT F 2750.1 in the applicable blocks labeled (1) Amount Taxable and (2) Amount Withheld.

- (b) Total Amount Not Taxable. This amount is obtained from the reimbursement voucher and represents any amount of moving expense or allowance that was reimbursed or paid to the employee which was not subject to withholding tax plus the value of any transportation requests involved. The amount not taxable should be shown on DOT F 2750.1 under "Remarks" and labeled as "Amounts not Taxable." It will include the following:

- 1 Transportation and per diem for the employee and immediate family in connection with their travel to the new duty station and transportation and temporary storage of household goods.
- 2 Transportation and per diem in connection with a househunting trip and subsistence expenses of the employee and immediate family while occupying temporary quarters up to and including \$1,500.
- 3 Expenses reimbursed for the sale and/or purchase of a residence, or lease expenses, up to and including \$3,000 reduced by the amount reimbursed (not to exceed \$1,500) for a househunting trip and temporary quarters. This means that the

total amount not taxable for househunting trip, temporary quarters, sale and/or purchase of a residence or lease expenses is limited to a total of \$3,000.

4 Distribute DOT F 2750.1 as follows:

- a Original to the payroll office for inclusion in the employee's earning record and W-2, Wage and Tax Statement.
- b Second copy to be attached to the travel voucher and filed in the employee's travel folder.

(2) Internal Revenue Service Form 4782, Employee Moving Expense Information. Internal Revenue Service regulations require all employers, public and private, when making a reimbursement or payment of moving expenses to an employee, to complete and furnish the employee an IRS Form 4782.

- (a) Preparation and Distribution of Form 4782. IRS Form 4782 will be prepared in duplicate. A separate form for the total of all reimbursements and payments made may be prepared for each employee for each official change of station made during the taxable year. As an alternative a form may be prepared for each reimbursement or payment made to an employee. In either case the form(s) will be furnished to the employee not later than January 31st for all reimbursements and payments made through December 31st of the preceding calendar year. A copy of the form(s) will be retained in the accounting office.
- (b) Source of Data for IRS Form. The form will be prepared from the original of the employee's paid travel vouchers and/or the carrier's paid invoice if a Government Bill of Lading is used. Generally, only the columns titled "Amount paid to employee" and "Total" will be used to report payments. The exception is where the employee's household goods have been shipped via GBL, in which case the applicable amount will be shown under the heading "Amount paid to a third party for benefit of employee." The "All other payments" line on the form will ordinarily be limited to the miscellaneous expense allowance provided for defraying certain costs in connection with relocating a residence.

CHAPTER 10. BILLINGS FROM OTHER GOVERNMENT AGENCIES

1. GENERAL. Under the provisions of Section 601 of the Economy Act (31 USC 1535), or similar provisions of law, Federal agencies are authorized to provide other Government agencies goods and services on a reimbursable basis. Billing is accomplished utilizing the Simplified Intragovernmental Billing and Collection (SIBAC) System, which allows the SIBAC billing agency to charge the agency location code of the ordering agency or to use traditional methods utilizing SF 1080, SF 1081, GSA Form 789, etc. for non-SIBAC billing agencies. Since only Government agencies are involved, some of the voucher examination procedures covered are not wholly applicable with respect to SIBAC billings, non-SIBAC billings from GSA, and certain DOD billings. These payments are accomplished for exact amounts billed since appropriate subsequent adjustments can be made for discrepancies involving erroneous billings.
2. SIMPLIFIED INTRAGOVERNMENTAL BILLING AND COLLECTION (SIBAC) SYSTEM.
 - a. General. This system provides for the simultaneous billing and collection of intragovernmental transactions between two Government agencies as prescribed by Treasury Fiscal Requirements Manual (TFRM), Part 6, Chapter 5000 (1 TFRM 6-5000).
 - (1) Two essential elements of the system are (a) it provides for immediate payment to the billing agency, and (b) it incorporates a method for customer agencies to charge back erroneous charges. Treasury processes the charge and credit amounts by the Agency Location Code (ALC) applicable to the customer and SIBAC agency.
 - (2) Currently the system is applicable only when both the billing and customer agencies report their monthly cash transactions on SF 224, Statement of Transactions. TFS Form 7306, Paid Billing Statement for SIBAC Transaction, is used as the paid billing document under the SIBAC system and will be accounted for by the customer agency as an accomplished paid document and reported on its current SF 224 (similar to the charge side of an SF 1081).
 - (3) SIBAC billing agencies will attach supporting documentation to the TFS Form 7306 only when the transaction cannot be adequately described on this form.

- (4) Verification procedures, including administrative approvals where necessary, shall be established by DOT ordering SIBAC elements to insure that goods and services specified on the SIBAC billings are received in the proper quantity and for the proper amounts, and to insure that chargebacks are properly effected.
 - (5) Specific requirements and procedures of the SIBAC system including procedures to be followed in effecting chargebacks for erroneous charges are outlined in 1 TFRM 6-5000.
- b. Authorized Billing Agencies. Authorized SIBAC billing agencies and types of goods and services involved include the following:
- (1) - Office of Personnel Management. Monthly billings for training and investigative charges.
 - (2) U.S. Post Service. Monthly billings in advance for penalty mail usage charges.
 - (3) Government Printing Office. Monthly billings for printing and binding services.
 - (4) General Services Administration.
 - (a) Quarterly billing in advance for Standard Level User Charges (SLUC) for space assignments.
 - (b) Monthly billings for reimbursable work authorizations for building alterations.
 - (c) Monthly billings for motor pool services under the Motor Pool Accounting and Reporting System.
 - (d) Monthly billings for supply services under the Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) System.
 - (e) Monthly billings under the Advanced Records System (ARS) of the Automated Data and Telecommunication Services.
 - (f) Monthly billings for telephone services under the Telephone Inventory Accounting Systems (TIAS).

Note - The billing locations and D.O. symbols for the above SIBAC billing agencies can be found in Appendix No.1, 1 TFRM 6-5000.

3. BILLINGS FROM NON-SIBAC BILLING AGENCIES.

- a. General. Billings from Government agencies not processed under the SIBAC system shall be paid upon completion of services or delivery of goods, with the exception of those cases where an advance of funds is authorized, or where payment is authorized on the basis of constructive receipt such as GSA billings, MILSTRIP billings, or as provided for in negotiated agreements. Billing and payment are generally accomplished on SF 1080, SF 1081, or GSA Form 789. Billing agencies will provide listings which can be matched to ordering documents, or a copy of the requisitioning document or other similar support documentation. Except for advance payments or payments made on the basis of constructive receipt, payment should be for the amount of goods or services actually received. For advance payments and payments made on the basis of constructive receipt, follow-up procedures shall insure that goods and services paid for are received in the proper quantity and for the proper amounts and, where appropriate, adjustments are made to subsequent billings. For GSA billings, no adjustment of billings shall be made unless the amount of the adjustment is greater than \$25 on any one line item on an invoice.
- b. Billings from the Department of Defense. Billings from DOD agencies will be made on SF 1080. The handling of more common billings from Department of Defense agencies follows:
 - (1) MILSTRIP Supply Transactions. Procurement of items stocked by the Defense Supply Agency will be billed through a system similar to FEDSTRIP transactions. Payment will be made on the basis of constructive receipt. A follow-up will be made to verify that actual delivery is received.
 - (2) Procurement of Military Aviation POL Products.
 - (a) Procurement of aviation petroleum, oils, and lubricants (POL) from military sources for DOT aircraft will be billed at prevailing DOD stock fund rates. Billings for POL products will be attached to the sales slips or other delivery form.

- (b) Avfuels Identaplates, AF Form 1239, will be used to obtain aviation fuel supplies at Air Force bases and from Defense Supply Agency (DSA) into-plane contractors for agency-owned, exclusive-use lease, and dry-leased open market rental aircraft. In addition to the data imprinted on the sales slip by the Identaplate, the sales slip must be signed by a DOT flight crew member or maintenance personnel to confirm receipt of the type and quantity of supplies, and the aircraft registration number must be hand printed in the space provided on the sales slip.
 - (3) Pay and Allowances of Military Personnel Assigned to DOT. Periodically, the DOD will submit billings to the accounting office of the DOT organization to which military personnel are assigned for duty. Verify the information on the bill to evidence that individuals are actually on duty and that the amount was computed at the standard rate for the military rank of the assigned individual.
 - (4) Military Standard Contract Administration Procedures (MILSCAP). The Department of Defense will provide MILSCAP Contract Payment Notice (CPN) as the supporting documentation to support payment on SF 1080 reimbursement voucher. The voucher examiner will accept the CPN document as support for MILSCAP billings in lieu of the original paid voucher or subvoucher which will be retained by DOD for on-site audit by the General Accounting Office.
- c. GSA Self-Service Store Billings.
- (1) General. The Federal Supply Service of the General Services Administration operates self-service retail stores which sell administrative supplies. Billings for charge sales are rendered monthly supported by sales slips issued in the previous month.
 - (2) Payment of GSA Self-Service Store Billings. Charge sales are billed on GSA Form 789, Statement, Voucher and Schedule of Withdrawals and Credits, and are supported by copies of sales slips showing the name, address, and other pertinent information of the customer. Verify that the total of all sales slips agree with the amount billed. It is not necessary to match individual sales slips attached to the billing.

- d. Billings from U.S. Customs Service. When services of Custom inspectors are required on an overtime basis for clearing a DOT aircraft, the billing from Customs will be supported by Customs Form 2853, Request for Overtime Services of Customs Officers and Employees. Form 2853 should be signed by the person in charge of the aircraft and will support the SF 1081.

CHAPTER 11. MISCELLANEOUS VOUCHERS

1. GENERAL. This chapter provides the guidance for the examination of vouchers for payment of mileage, subsistence, and fees to witnesses appearing before various courts and boards, allowances to DOT employees assigned to foreign posts of duty, and refunds of amounts erroneously collected and deposited or refunds of balances due depositors.
2. WITNESS FEES, MILEAGE, AND SUBSISTENCE. Under the authority of 5 USC 5751, the Department of Justice has issued regulations for reimbursement of Government witnesses at Part 21, Title 28, of the Code of Federal Regulations (28 CFR 21). In addition, the Comptroller General in 48 Comp. Gen. 110 ruled that non-Government personnel are also entitled to reimbursement. Implementation of these rules in the Department are contained in paragraph 334, DOT 1500.6, which covers civilian employees, military personnel, and civilians other than Government employees.
 - a. Non-Government Witnesses. A non-Government witness for the United States, appearing before courts and boards, is entitled to be reimbursed for transportation between home and place where judicial action takes place. The witness is also entitled to subsistence allowances when at points so far removed from the residence as to prohibit the return each day as well as a daily witness fee (see paragraph 334c, DOT 1500.6).
 - b. Government Witness. Employees of the Federal Government are not entitled to witness fees but are entitled to be reimbursed for mileage and subsistence. Employees' claims for per diem and other traveling expenses incurred as a witness will be paid on a travel voucher. The per diem and transportation expenses of employees serving as witnesses will be paid in accordance with paragraph 334, DOT 1500.6. A witness fee collected from an employee will be credited to the appropriation or fund from which the employee has been paid (7 GAO 15).
 - c. Types of Witnesses.
 - (1) Expert Witness. One who is hired under contract to give expert testimony involving matters which are not known by the general public; e.g., a physician, airplane pilot, engineer. These witnesses are entitled to per diem and transportation expenses and a fee for their appearances before courts and boards. The amount of the fee is included in the contract.

- (2) General Public Witness. One who is subpoenaed when the case subject is within the knowledge of the general public. These witnesses are entitled to per diem, travel expenses and a daily fee.

d. Documentation.

- (1) Expert Witness. Payment of per diem, transportation, and fees for an expert witness should be supported by copies of the contract, witness's invoice, and copy of the SF 1169 if transportation is furnished in lieu of including it in the contract.
- (2) General Public Witness. Payment of per diem, transportation, and fees for a general public witness shall be supported by SF 1156, Public Voucher for Fees and Mileage of Witnesses, and SF 1157, Claim for Fees and Mileage of Witnesses. Both forms are illustrated in Appendix 1 to 1 TFRM 4-2000.
- (3) Other Supporting Documents. Copies of summons, subpoenas, agreements, etc., which have a bearing on a claim for fees and mileage, will not be attached to the claim but will be retained by the office requesting the appearance of the witness.

e. Basic Examination.

- (1) Expert Witness. Verify that:
 - (a) The witness's name and address on the invoice agrees with the contract or agreement.
 - (b) The invoice contains an administrative certification by an appropriate DOT official attesting to the witness's service.
 - (c) The dates in attendance agree with the per diem claimed and computation of per diem and mileage is correct.
 - (d) Transportation charges and the fee agree with provisions of the contract.

(2) General Public Witness. Determine that:

- (a) The upper part of SF 1157, including the certification, is completed.
- (b) The witness signed the certification of SF 1157.
- (c) The extension and totals for mileage, per diem, and witness fees are correct.
- (d) Summary data on SF 1156 agrees with totals shown on SF 1157's.

3. REFUNDS DUE REMITTERS.

- a. General. Refunds include amounts owed to remitters for amounts erroneously collected and deposited and balances due where deposits were required for services which were not furnished.
- b. Documentation. Standard Forms 1047, Public Voucher for Refunds, and 1048 (memorandum) or other documents containing similar information should be used for processing refunds due remitters, supported by memorandums from operating units, claims by individuals or commercial companies and records in the accounting office.
- c. Basic Examination. Verify the remitter's name, appropriation or deposit fund symbol, and computation of balance authorized to be refunded with claim, memorandum, or accounting records.

4. ALLOWANCES AT FOREIGN POST OF DUTY.

- a. General. There are various types of allowances payable in foreign areas. The benefit to which employees on foreign assignment are entitled depends on their family status, salary, and other factors such as location of post of duty, environmental and cost of living conditions, availability of educational facilities, and living accommodations. The types and amount of the allowances payable depends on the employee's eligibility to receive specific benefits under the Department of State, Standardized Regulations (Government Civilians, Foreign Areas). Eligibility is determined by the certifying officer in the embassy or the official delegated authority to authorize the allowances based on data submitted by the employee.

- b. Types of Allowances. Types of allowances payable to employees assigned to foreign posts of duties are as follows:
- (1) Living Quarters Allowance. Covers the cost of suitable, adequate, living quarters for the employee and the employee's family.
 - (2) Temporary Living Allowance. Covers the reasonable cost of temporary quarters for the employee and family. The allowance may be actual expenses or maximum rate prescribed by Standard Regulations, whichever is less.
 - (3) Transfer Allowance. This is an allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing a residence at a post of assignment in a foreign area.
 - (4) Separate Maintenance Allowance. This allowance is to assist an employee, who is compelled by reasons of dangerous, notably unhealthful, or excess adverse living conditions at posts of assignment in a foreign area or for the convenience of the Government, to meet additional expenses of maintaining dependents at a place other than the employee's post of duty.
 - (5) Education Allowance. Provides for meeting extraordinary and necessary expenses incurred by employees in a foreign area for adequate elementary and secondary education for their children.
- c. Documentation.
- (1) Standard Form 1190, Foreign Allowances Application Grant and Report, is used to authorize the various allowances listed above. An allowance once granted will remain in effect until revision or termination is required. The grant must be authorized by a certifying officer at an embassy or by an official delegated the authority before the employee may receive payments of allowances. SF 1190's will be revised when there is a change in the employee's family status, pay rate or post of duty.
 - (2) Standard Form 1069, Voucher for Allowances at Foreign Posts of Duty, is used for allowances paid separately from employee's compensation.

- d. Basic Examination. Upon receipt of completed SF 1069, verify:
- (1) The payee's name and post of assignment with that shown on SF 1190.
 - (2) The "Period of this Voucher" with effective and termination dates shown on SF 1069.
 - (3) ~~That the allowance is authorized and amount of each al-~~lowance is in accordance with rates prescribed in the Department of State, Standardized Regulations (Government Civilians, Foreign Areas).
 - (4) That the payee has signed the certification on SF 1069.
 - (5) That differences between the two forms are stated and adequately explained on a separate attachment.
- e. Payment by Other Government Agencies. When another Government agency has been delegated the authority to certify and pay foreign allowances for DOT employees, the DOT accounting office maintaining the accounts shall accept the payments made by the Foreign Disbursing Officer without post audit when copies of the SF 1190 are not available. When certified copies of the SF 1190 are available in the accounting office the basic steps above should be used for post audit purposes.

5. PAYMENT OF COMMITTEE MEMBERS.

- a. General. DOT 3300.8, Payment of Committee Members, as amended, provides the guidelines for paying persons who are appointed primarily to serve as members of committees sponsored by DOT.
- b. Approval. After appropriate approval, the directive establishing or extending an advisory committee and a listing of the names of the non-Government committee members and their daily rate of compensation shall be furnished the accounting office.

- c. Documentation. Payment shall be based upon the actual time spent by the member to prepare for, attend, and provide services which result from attendance at meetings. Each committee member entitled to compensation shall furnish in letter form a monthly statement which indicates their name and the address to which the check should be mailed and the day(s) and hours of each day on which services were rendered. The letter shall be signed by the committee member and forwarded to the committee chairperson or committee secretary who will indicate administrative approval by affixing their signature and date of approval. Following approval, the letter will be forwarded to the accounting office for examination for payment.
- d. Examination. Upon receipt of the approved letter covering services rendered, verify the committee member's entitlement to compensation, the daily rate of payment, and the number of days of compensation due. The number of days compensation is due shall be determined by considering the following:
 - (1) The minimum rate of payment shall be no less than one-half the daily rate.
 - (2) Payment shall be at the full daily rate when committee activities require more than five hours of the member's time.

CHAPTER 12. CLAIMS

1. GENERAL.

- a. Claims Under Cognizance of GAO and GSA. This chapter provides the procedures and administrative processes for the filing and examination of claims against the United States. It identifies the claims which must be adjudicated by the General Accounting Office and the General Service Administration (claims relating to transportation services) before payment is made or denied, and provides the procedures relating to those claims which may be paid. Claims as covered by this chapter, in contrast to regular billings and payments, deal with those demands for payment which involve cases of death, injury or damage, cases where payment was previously denied or disputed or cases where payment is in doubt by law or fact and adjudication is necessary. GAO's regulations on claims settlement are found in 4 CFR Parts 30 et seq. and Title 4, GAO Policy and Procedures Manual for Guidance of Federal Agencies. GSA's regulations are found in 41 CFR 101-41.6.
- b. Other Claims. In addition to claims under the jurisdiction of GAO and GSA, there are claims under the exclusive jurisdiction of administrative agencies pursuant to specific statutory authority. The significant areas and the paragraph reference where they are discussed in more detail in this chapter are as follows:
 - (1) Tort claims under the Federal Tort Claims Act (FTCA). See paragraph 14.
 - (2) Small Claims Act. See paragraph 15.
 - (3) Military Personnel and Civilian Employees' Claims Act of 1964, as amended. See paragraph 16.
 - (4) Irregularities and withholdings under the Davis-Bacon Act. See paragraph 17.

2. FILING CLAIMS.

- a. Forms. Claims should be presented in writing over the signature and address of the claimant or the claimant's authorized agent. Where a claim is filed by an agent it must be supported by a duly executed power of attorney or other documentary evidence of the agent's right to act for the claimant.

- (1) GAO jurisdiction. Generally, no particular form is required for filing a claim; however, in those specific classes of claims where forms are prescribed, they will be used by the claimant (4 CFR 31.2).
- (2) GSA jurisdiction. Claims relating to transportation services will be billed on S.F. 1113, Public Voucher for Transportation Charges, in the form of a supplemental bill (claim) bearing the same number as the original bill but with an alphabetical suffix. It is imperative that the claim be clearly stamped with the month, day and year of receipt so that there will be no question regarding the filing date (41 CFR 101-41.603-2).

b. Place of Filing.

- (1) GAO jurisdiction. Claimants should be advised to file their claims with DOT. Claims which cannot be disposed of by DOT will be sent to the Claims Group of GAO's Accounting and Financial Management Division. However, when the statutory period of limitation is about to expire (see paragraph 3 below), claims should be filed directly with GAO, addressed to:

Claims Group, Accounting and Financial Management
Division,
U.S. General Accounting Office
Washington, D.C. 20548

- (2) GSA jurisdiction. Transportation claims generally should be filed with DOT. If that is not feasible, the claim should be sent to the General Services Administration (BWCA), Washington, D.C. 20405. Claims involving collection actions resulting from GSA's transportation audit function must be filed directly with GSA (BWCA). If the claim is filed with DOT, the claim should be sent to the payment office shown in the "Bill Charges To" box of the procurement document (41 CFR 101-41.602).

3. STATUTORY LIMITATIONS ON FILING OF CLAIMS.

a. GAO Jurisdiction.

- (1) General. 31 USC 3702, informally known as the "Barring Act," provides a six-year statute of limitations on the filing of claims cognizable by GAO. 31 USC 3702 expressly exempts claims by "any State, Territory, possession or the District of Columbia." The exemption for claims by a State does not extend to claims by a city, county, or other political subdivision (Comp. Gen. decisions B-159110, 6/27/66; B-199838, 10/20/81). The Barring Act is limited to claims cognizable by GAO under 31 USC 3702.
- (2) DOT procedure for handling barred claims. The operating administration should inform claimants that GAO will determine their claims to be barred under 31 USC 3702 if six years have elapsed since the claim accrued, and the claim has never been considered by GAO. Claimants should not be told by DOT that their claim is barred since that authority vests solely in GAO. However, GAO has requested that we send a letter informing the claimant that GAO will determine the claim to be barred unless it was received by GAO within the six-year limit. A copy of the Barring Act may be included in the letter. The claimant should be told that filing a claim with an agency of the Government other than GAO does not satisfy the requirements of the Act, and the Barring Act has no exceptions and may not be waived (GAO circular letter B-198712, July 29, 1980).
- (3) Check claims. All claims on account of any check or checks appearing to have been paid from the records of the Treasury Department or GAO shall be barred if not presented to the Treasurer of the United States or GAO within six years after the date of issuance of the check or checks involved (31 USC 3702 (c)).
- (4) Other statutory limitations. It is incumbent on claimants to inform themselves regarding other possible statutory limitations (4 CFR 31.5(c)).

b. GSA Jurisdiction.

- (1) General. 31 USC 3726, as amended, imposes a limitation, generally three years, on the filing of claims cognizable by GSA when such claims involve charges for transportation within the purview of 31 USC 3726. These claims involve transportation charges based on tariffs lawfully on file with Federal and State transportation regulatory agencies or which involve rates, fares and charges established under section 10721 of the Revised Interstate Commerce Act (49 USC 10721).
- (2) Determination of timing for three-year limitation. A claim must be received by GSA or the DOT administration out of whose activity the claim arose within three years from whichever is the latest of the following dates:
 - (a) Accrual of the cause of action thereon;
 - (b) Payment of charges for the transportation involved;
 - (c) Subsequent refund for overpayment of such charges; or
 - (d) Deductions made under 31 USC 3726.

4. CLAIMS WHICH MUST BE SUBMITTED TO GAO. The following classes of claims may not be paid or denied administratively but must be forwarded to the Claims Group, Accounting and Financial Management Division, General Accounting Office, for adjudication:

- a. Claims in excess of \$25.00 which involve doubtful questions of law or fact, except those which have been the subject of an advance decision of the Comptroller General, in which case a reference to the decision must appear on the voucher supporting the payment. Claims are doubtful when a reasonably prudent person having responsibility for administrative action is unable to decide positively that they are or are not payable. (See Chapter 1, par. 4e for doubtful claims of \$25 or less.)
- b. Claims, regardless of doubt, which are required by statute, by regulations, or by decision of the Comptroller General to be settled in the General Accounting Office before payment is made or denied.

- c. Reclaims of items in excess of \$25 previously denied by DOT, unless it is determined administratively that the action taken was in error and can properly be corrected by DOT.
 - d. Supplemental claims for amounts which have been administratively deducted from transportation payment vouchers in connection with loss and/or damage to property (41 CFR 101-41.604-2(a)).
5. TRANSPORTATION CLAIMS WHICH MUST BE SUBMITTED TO GSA. The following types of transportation claims will not be paid by the Department but will be forwarded to the General Services Administration (BWCA) Washington, D.C. 20405:
- a. Any claim that is "time barred" by a statute of limitations as indicated in paragraph 3b above or any claim on which there is doubt as to whether it is "time barred."
 - b. Any claim that refers to a GSA file number or to a previously paid amount which is not in agreement with the administration's record of prior payment.
 - c. Any claim that involves inbound rail transit bills not properly certified to the effect that the tonnage is still on hand at the transit station.
 - d. Any claim that is not payable because the Department lacks reproducible photographic copies of the original payment documents.
6. SUBMISSION OF CLAIMS TO GAO.
- a. All claims which are forwarded to GAO for adjudication must be accompanied by an administrative report containing:
 - (1) A statement of the facts from which the claim arose;
 - (2) A statement of the doubt or other reason for forwarding the claim;
 - (3) A recommendation as to the disposition believed to be proper;
 - (4) A citation to pertinent supporting documents such as contracts and vouchers, if any;
 - (5) A statement that the claim has not been paid and will not be paid except pursuant to certification in the name of the Comptroller General;

- (6) A complete symbol citation to the applicable appropriation or fund; and
- (7) The identification number of the claimant. If the claimant is an individual the identification number to be used is the Social Security Number. If the claimant is a business entity, the number to be used is the Employer's Identification Number (EIN) which corresponds to the Social Security number of an individual.
- b. The claimant should be informed that the claim has been sent to GAO for adjudication. Do not include information on DOT's recommendation in the notice. Advise the claimant that information about the claim can be obtained by writing to the Claims Group, GAO.

7. SUBMISSION OF CLAIMS TO GSA.

- a. All claims forwarded to GSA shall be supported with:
 - (1) Appropriate certification of factual matters not considered in previous certifications;
 - (2) Administrative report of any pertinent information not previously furnished;
 - (3) A recommendation of the action to be taken;
 - (4) Citations to previous payments, if any, by reference to disbursing office (D.O.) voucher number, date of payment, and D.O. symbol number; and
 - (5) Citations to applicable appropriation or fund accounts.
- b. The administration shall notify claimants of the dates on which their claims are forwarded to GSA but shall not inform them of administrative recommendations.

8. GAO CLAIM SETTLEMENT PROCESS.

- a. Precedents for Future Payments. Settlement of an individual claim by GAO is not to be regarded as a precedent for the guidance of accountable or other administrative officers.

- b. Liability of Certifying and Disbursing Officers. Certifying and disbursing officers will not be held pecuniarily liable for payments made as a result of claims settled by GAO, which appear regular on their face, except that they will not be relieved of the responsibility, where required, for determining that a sufficient balance exists in the appropriation or fund to cover the payments.
- c. Form of Claim Settlement.
 - (1) Allowed claims. GAO will certify claims for payment either by use of GAO Form 39, Certificate of Settlement, or by certificate of allowance placed on the voucher if GAO has approved this method (see 4 GAO 8.3).
 - (2) Disallowed claims. When part of the claim is allowed and part disallowed, a statement relating to the disallowed portion will be included on the GAO Form 39 or the voucher. When the full amount of a claim is disallowed, the claimant will be advised by issuance of GAO Form 44, Settlement Certificate.
- d. Processing Claim Settlements.
 - (1) Allowed claims. GAO will forward the GAO Form 39 to the operating administration under a covering transmittal letter. A copy of the transmittal letter will be promptly receipted and returned to GAO's Claims Group. The settlement document should not be reviewed for legality or correctness. However, alterations may be made to reflect the current year of the appropriation symbol and to correct project numbers or other information in connection with the appropriation or fund stated. No alteration will be made which will cause payment from a different appropriation, to a different payee, or in an amount different from that approved by GAO. Schedule the GAO Form 39 for payment in the usual manner. The claimant's copy of the GAO Form 39 will be forwarded to the disbursing officer for transmittal to the payee with the check issued. An SF 1096, Schedule of Voucher Deductions, will be prepared when applicable. GAO provides two other copies of the settlement certificate for your administrative use.

- (2) Debt application. When all or part of the amount allowed is withheld for application toward a debt due the United States, GAO will provide additional copies of the settlement certificate for forwarding by the disbursing officer to the agency whose account is being credited. When the full amount is withheld, GAO will forward the settlement certificate to the claimant.
- (3) Disallowed claims. When a claim is disallowed in full, GAO will send the GAO Form 44 direct to the claimant. One copy of the disallowance will be sent to the operating administration concerned.

e. Reconsideration of Settlement.

- (1) Request review. Claims previously settled by GAO will be reviewed by GAO at the discretion of the Comptroller General upon written application of a claimant whose claim has been settled or the Secretary of DOT, or upon motion of the Comptroller General at any time.
- (2) Basis for review. Application for review of claim settlements must state the errors which the applicant believes have been made in settlement and which form the basis of the request for reconsideration.
- (3) Return of check with request for review. Unless otherwise directed by the Comptroller General on presentation of proper facts, the check issued in settlement must not be cashed when its amount includes any item to which the review applies but must accompany the application for review.
- (4) Protests received against GAO settlements. Any protests or appeals received by DOT from settlements made by GAO, or additional claims requiring reconsideration of such settlement, will be referred to the Claims Group of GAO. The prior claim will be cited and an additional administrative report will be furnished as necessary in accordance with provisions of paragraph 6 of this chapter.

9. GSA CLAIM SETTLEMENT PROCESS.

- a. Acknowledgement. Each claimant is informed of the number assigned to the claim upon its receipt in GSA.
- b. Finality of Action. Claimants may request reconsideration or review of GSA's settlement action. However, DOT will consider GSA's settlement actions as the final administrative action.
- c. Precedent for Future Payments. A GSA claims settlement is not to be regarded as a precedent for agency determination of future payments by accountable or other administrative officers.
- d. Form of Claim Settlement.
 - (1) Allowed claims. GSA certifies each payable claim by use of GSA Form 7931, Certificate of Settlement, and includes a complete explanation of any part of the claim disallowed.
 - (2) Disallowed claims. When a claim is wholly disallowed, GSA furnishes the claimant GSA Form 7932, Settlement Certificate, which explains the disallowance. One copy of the GSA Form 7932 is furnished the applicable operating administration.
- e. Processing Claims Certified for Payment.
 - (1) GSA transmittal. GSA forwards the original and four copies of each certificate of settlement to DOT by GSA Form 7933, Certificate of Settlement Transmittal. A copy of the transmittal form should be promptly receipted and returned to GSA (BWCA). At the same time, GSA also forwards an advance copy of the settlement certificate to the claimant.
 - (2) Debt setoff. When an amount of the settlement is to be set off to recover a debt due the United States from the carrier, effect such action immediately to preclude the setoff from being barred by expiration of the applicable statutory time period (there is a three year limitation on deductions of overcharges for amounts due any carrier of forwarder). See 41 CFR 101-41.501. When a setoff amount is to be credited to accounts of other agencies, GSA will supply additional copies of the settlement certificate.

- (3) Alteration of GSA Form 7931. No action will be taken to revise or alter the settlement certificate except to indicate the appropriation symbol applicable at the time of payment or to correct subsidiary references. No other changes are permitted. Any settlement certificate that cannot be processed will be returned to GSA (BWCA) with an explanation of the nonpayment.
- (4) DOT action. Action will be taken to process payment and the following distribution of the certificate of settlement will be made:
 - (a) Forward the original of the certificate, with the D.O. voucher number and date of payment stamped in the upper right corner, to GSA (BWAA/C). If required, an SF 1096, Schedule of Voucher Deduction, will be prepared.
 - (b) Forward the claimant's notice copy to the disbursing officer for forwarding to the payee along with the settlement check.
 - (c) If applicable, forward a copy of the certificate of settlement to each agency whose accounts are to be credited with a withheld amount.
 - (d) Retain the remaining copies for internal accounting records.

When the full amount is set off, GSA forwards both the advance copy and the notice copy of the certificate to the claimant and forwards the original and accounting copies to the operating administration for processing and return of the annotated original certificate to GSA (BWAA/C). If the setoff amount is to be charged and credited to the same appropriation, GSA sends only the accounting copies to DOT.

10. CLAIMS FOR AMOUNTS DUE DECEASED CIVILIAN EMPLOYEES.

- a. General. These claims represent amounts for unpaid compensation due on account of services performed by the decedent for DOT, including the proceeds of undelivered and unnegotiated checks. Detailed procedures, including prescribed forms and definitions are contained in 4 CFR Part 33. Treasury Department instructions will be found in 1 TFRM 3-2085.

- b. GAO Role. The following type claims must be sent to GAO's Claims Group for settlement:
 - (1) When doubt exists as to the amount or validity of the claim.
 - (2) When doubt exists as to the person(s) properly entitled to payment.
 - (3) When the claim involves uncurrent checks (See 4 CFR 33.6c(3)).
- c. Claim Forms. The claimant will file the claim on either SF 1153, Claim of Designated Beneficiary and/or Surviving Spouse for Unpaid Compensation of Deceased Civilian Employee, or SF 1155, Claim for Unpaid Compensation of Deceased Civilian Employee (No Designated Beneficiary or Surviving Spouse). When the designated beneficiary is the estate of the decedent, the claim will be filed on SF 1055, Claim Against the United States for Amounts Due in the Case of a Deceased Creditor. For claims involving minors or incompetents, see 4 CFR 33.8 for additional supporting data needed. The disbursement voucher for these claims will be SF 1154 and SF 1154a (Memorandum), Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee.
- d. Voucher Preparation. Upon receipt of the claim (SF 1153 or SF 1155) the operating administration will prepare a disbursement voucher for the unpaid compensation due the deceased civilian employee. The SF 1154 and SF 1154a will be used for this purpose in accordance with 4 GAO 23. A detailed description on the preparation of the subvoucher in support of the SF 1154 can be found at 1 TFRM 3-2085.20, .30, and .40. Each of the forms used will be signed by a designated approving officer and will show the amount chargeable to the appropriation or fund. The SF 1154 will be forwarded or scheduled to the disbursing officer for payment as are other disbursement vouchers.

- e. Vouchers for Transmittal to GAO. For payments which can only be made after settlement by GAO (see paragraph 10b above), the SF 1154 will be transmitted to the Claims Group, Accounting and Financial Management Division, U.S. General Accounting Office, Washington, D.C. 20548. The subvouchers and the completed application form (SF 1153, SF 1155, or SF 1055) should be attached to the original SF 1154. In addition, the voucher should be accompanied by an administrative report containing: (1) a statement of the doubt involved, if any; (2) any pertinent administrative findings and recommendations; and (3) a statement that the claim has not been paid and will not be paid except pursuant to certification in the name of the Comptroller General.
- f. Basic Examination. Prior to payment determine that:
 - (1) The claimant(s) listed on the SF 1154, Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee, is entitled to receive the unpaid compensation in accordance with the designation by the deceased employee or the laws of the applicable State.
 - (2) All required supporting subvouchers and documents are attached.
 - (3) Computations of amount due as shown on the subvouchers and on the reverse side of SF 1154 are correct, and net amount due is correct and properly distributed.
 - (4) Proper appropriations are charged.

11. CLAIMS FOR AMOUNTS DUE DECEASED MILITARY MEMBERS.

- a. General. These claims represent amounts for unpaid compensation due a member on account of services performed by the decedent for DOT, including the proceeds of undelivered and unnegotiated checks. Detailed procedures, including prescribed forms and definitions are contained in 4 CFR Part 34 and 4 GAO 25 thru 33.
- b. GAO Role. The role of GAO is the same as stated in paragraph 10b above.
- c. Claim Forms. The following claim forms are prescribed by GAO:
 - (1) SF 1174 - Claim of Designated Beneficiary for Unpaid Pay and Allowances of Deceased Members of the Armed Forces.

- (2) SF 1175 - Claim for Unpaid Pay and Allowances of Deceased Member of the Armed Forces (No Designated Beneficiary).
 - (3) For claims involving minors or incompetents, see 4 CFR 34.5 for additional supporting data needed.
 - (4) The disbursement voucher for these claims will be SF 1176 and SF 1176a (Memorandum), Public Voucher for Unpaid Pay and Allowances Due a Deceased Member of the Armed Forces.
- d. Voucher Preparation. Upon receipt of a claim, promptly prepare a disbursement voucher, SF 1176 and SF 1176a (Memorandum), for the amount of the pay and allowances due the deceased member, including the proceeds of unnegotiated checks. The disbursement voucher should be supported by:
- (1) The original claim, SF 1174 and SF 1175;
 - (2) Appropriate documentation relating to any amounts included on the voucher, such documentation to be on forms approved for such purpose and used as subvouchers;
 - (3) An official copy of the death report; and
 - (4) A certified copy of the designation of beneficiary forms, when a beneficiary has been designated, if the name and address of the beneficiary as shown on the form do not appear on the death report.

The SF 1176 will be forwarded individually or scheduled for payment in the same manner as other disbursement vouchers. The applicable documents and subvouchers will be retained with the Military Pay Record or other appropriate pay account at the location where the audit by GAO will be performed.

- e. Voucher for Transmittal to GAO. For vouchers which can only be paid after settlement by GAO (see paragraph 11b above), the voucher will be submitted to the Claims Group, Accounting and Financial Management Division, U.S. General Accounting Office, Washington, D.C. 20548. The voucher will be accompanied by a copy for notice to each claimant, one copy for retention by GAO's Claims Group, and a sufficient number of copies to support administrative and accounting records (in no event will the original voucher be accompanied by less than two copies).

In addition, an administrative report similar to the one described in paragraph 10e above will accompany the voucher. After certification by GAO, the voucher will be returned to DOT under a covering transmittal letter. A copy of the transmittal letter will be receipted and returned to GAO's Claims Group. DOT will be responsible for forwarding each claimant's notice copy to the disbursing officer for transmittal to the payee with the check.

12. CLAIMS FOR AMOUNTS DUE DECEASED PUBLIC CREDITORS.

- a. General. These claims represent amounts alleged to be due the estate of a deceased individual public creditor, including the proceeds of undelivered and unnegotiated U.S. Government checks, for supplies furnished or services rendered.
- b. Claimants. The amount due at the time of death is paid to the person(s) surviving at the date of death under the laws of the domicile of the decedent.
- c. Settlement Authority. Claims where there is no doubt as to the amount or validity of the claim or where there is no doubt as to the person(s) entitled to payment may be settled by DOT. If there is doubt as to the amount, validity, or person(s) entitled to payment, the claim shall be sent to the Claims Group, GAO, for settlement. In addition, an administrative report will accompany the claim containing the information required by 4 GAO 39.2.
- d. Documentation. SF 1055, Claim Against the United States for Amounts Due in the Case of Deceased Creditor, is used to claim amounts alleged to be due, including the proceeds of unnegotiated and undelivered U.S. Government checks. The SF 1055 should be supported by:
 - (1) SF 1185, Schedule of Undeliverable Checks for Credit to Government Accounts.
 - (2) A short certificate of the court showing the appointment and qualifications of a guardian claiming for a minor.

- (3) A statement to support a claim where no guardian has been appointed for a minor showing:
 - (a) Claimant's relationship to the minor, if any;
 - (b) The name and address of the person having care and custody of the minor;
 - (c) That any payments received will be applied to the use and benefit of the minor; and
 - (d) That the appointment of a guardian is not contemplated.
- (4) Receipted bill of the undertaker if the funeral expenses have been paid (Item 5 on SF 1055).

e. Basic Examination. Upon receipt of SF 1055 determine that:

- (1) The claimant is the person(s) entitled to the proceeds and all parts of the SF 1055 are complete.
- (2) The amount claimed is the total of all unpaid vouchers and proceeds due from undelivered and unnegotiated checks.
- (3) Required supporting vouchers and certificates are attached.
- (4) The claim can be paid locally or whether there is some doubt as to the amount, validity, or person(s) entitled to the amount due and the claim has to be submitted to GAO for settlement.
- (5) The proper appropriation is shown.

13. CLAIMS FOR AMOUNTS DUE INCOMPETENT PUBLIC CREDITORS.

- a. General. These claims represent amounts due incompetent public creditors of the United States, including claims for proceeds of undelivered or unnegotiated Government checks drawn on the Treasury of the United States. The term "incompetent" refers to a person who has been adjudged by a court to be incompetent to handle their own affairs. The procedures for settlement are found in 4 CFR 36 and 4 GAO 40.

- b. Settlement Authority. Claims may be settled by DOT where there is no doubt as to the amount or validity of the claim or where there is no doubt as to person(s) entitled to payment. If there is doubt as to the amount, validity, or person(s) entitled to payment, the claim shall be sent to the Claims Group, GAO, for adjudication.
- c. Documentation. No specific form is used in filing claims for sums due incompetent creditors of the United States. Such claims must be in writing over the signature and address of the person claiming on behalf of the incompetent creditor. It must set forth the connection of the incompetent creditor with DOT. The claim should be supported by:
 - (1) SF 1185, Schedule of Undeliverable Checks for Credit to Government Accounts;
 - (2) A short certificate of the court showing the claimant's appointment and qualifications as guardian or committee. Subsequent claims for recurring payments must be supported by a statement that the appointment is still in full force and effect; and
 - (3) A statement where no guardian is appointed showing:
 - (a) Claimant's relationship to the incompetent, if any;
 - (b) The name and address of the person having care and custody of the incompetent;
 - (c) That any amount paid to the claimant will be applied to the use and benefit of the incompetent; and
 - (d) That the appointment of a guardian or committee is not contemplated.
- d. Basic Examination. Upon receipt of the claim determine that:
 - (1) The claimant is the person entitled to the proceeds.
 - (2) The amount claimed is the total of all unpaid vouchers and proceeds due from undelivered and unnegotiated checks.
 - (3) All required supporting vouchers and certificates are attached.

- (4) The claim should be paid locally or should be submitted to GAO for settlement.
- (5) The proper appropriations and funds are charged.

14. CLAIMS UNDER FEDERAL TORT CLAIMS ACT.

- a. Background. Under the doctrine of sovereign immunity, the Government cannot be sued without its consent, and, prior to 1946, was therefore not liable for the tortious conduct of its employees. Congress rectified this situation in 1946 with the enactment of the Federal Tort Claims Act (FTCA). The Act has been amended a number of times over the years and is now found at 28 USC 1346(b) and 2671-2680. 28 USC 2672 authorizes the administrative settlement of tort claims by the agency whose employee committed the tort. The Act states that the Attorney General will prescribe the regulations. These regulations are found at 28 CFR 14. GAO has no jurisdiction to settle claims under the FTCA except for claims involving GAO employees.
- b. General. These claims represent monetary damages for damage or loss of property, or personal injury, or death by the negligent, or wrongful act or omission of a DOT employee while acting within the scope of his/her office or employment.
- c. Statute of Limitation. A tort claim is "forever barred" unless presented in writing to the appropriate agency within two years after the claim accrues or unless suit is brought within six months after the date of mailing of the agency's final denial (28 USC 2401(b)).
- d. Filing of Claim. A claim shall be deemed to have been presented when the Department receives from a claimant, his/her duly authorized agent or legal representative, an executed SF 95, Claim for Damage or Injury, or other written notification of an incident, accompanied by a claim for money damages for damage to or loss of property, personal injury, or death alleged to have occurred by reason of the incident. If the claim should have been presented to another Government agency it should be immediately transferred to the appropriate agency. The claim may be amended by the claimant any time prior to final DOT action.
- e. Evidence to be Submitted With Claim. 28 CFR 14.4 contains a detailed list of evidence required in support of claims based on death, personal injury, and property damage. The voucher examiner should determine that the required evidence is submitted with the claim when processing the voucher for payment.

f. Limitation on Agency Authority.

- (1) Monetary limitation. There is no monetary limit on DOT's administrative settlement authority under 31 USC 2672 except that awards in excess of \$25,000 require the prior written approval of the Attorney General or the Attorney General's designee. This request should be directed to the Assistant Attorney General, Civil Division, Department of Justice.
- (2) Review by legal officers. When a proposed settlement, award, or compromise exceeds \$2,500, it must be reviewed by a legal officer of the Department before final action (28 CFR 14.5).

g. Action on Approved Claims. SF 1145, Voucher for Payment Under Federal Tort Claims Act, is used to pay claims regardless of the amount. Steps to be taken depend on the amount of the approved claim.

- (1) Awards of \$2,500 or less. If the award is \$2,500 or less to each claimant, the award will be paid out of any DOT appropriation available and current at the time of final action and which is not specifically proscribed or limited (38 Comp. Gen. 338, 340). After the claim has been approved for payment, the responsible administrative officer shall forward the SF 1145 (with as many copies as needed) to the accounting officer for certification and payment. The accounting officer will coordinate his action with the applicable budget officer for determination of the appropriation to be charged. If no appropriations are available for obligation within the applicable operating administration, then the Departmental Office of Budget (B-20) should be requested to assign any available DOT appropriation. The SF 1145 will be signed by the claimant and the responsible administrative officer or designee. The voucher should be supported by the original claim, supporting documentation, any settlement agreements or releases executed by the claimant, and the final adjudication.

- (2) Awards in excess of \$2,500. Awards in excess of \$2,500 are paid, upon certification by GAO, from the permanent indefinite appropriation established by 31 USC 1304. The SF 1145, properly executed and certified, will be forwarded to the Claims Group, GAO. When an award is in excess of \$25,000, the SF 1145 must be accompanied by evidence that it has been approved by the Attorney General or his designee (28 CFR 14.10).

- h. Finality of Payment. Acceptance by the claimant of the payment shall be final and conclusive and shall constitute a complete release of any claim against the United States and against the employee whose act or omission gave rise to the claim.

15. SMALL CLAIMS FOR PRIVATELY OWNED PROPERTY DAMAGE OR LOSS.

- a. General. The Small Claims Act (31 USC 3723) is a vehicle for the administrative settlement of negligence claims for privately owned property damage or loss not exceeding \$1,000 which are not cognizable under the Federal Tort Claims Act nor covered by any other statute. For example, the Comptroller General has recognized the Small Claims Act for claims arising in a foreign country. (Comp. Gen. decision B-120773, March 22, 1955). Claims under the Small Claims Act are beyond GAO's settlement jurisdiction and are settled by the cognizant agency (3 Comp. Gen. 22, 24).
- b. Statute of Limitations. A claim may not be considered unless presented to the head of the agency within one year after it accrues (31 USC 3723(b)).
- c. Payment. DOT appropriations cannot be used to pay awards under the Small Claims Act. These awards are payable, upon certification by GAO, from the permanent judgement appropriation and only if the claimant accepts the settlement in complete satisfaction of the claim against the Government (31 USC 3723(c)). The procedures contained in 4 CFR 31 should be followed.

16. PERSONAL PROPERTY CLAIMS.

- a. General. These claims relate to personal property lost or damaged incident to service with DOT. The Military Personnel and Civilian Employees' Claims Act of 1964, as amended (31 USC 3721) authorizes the Department to settle these claims. Although the Act authorizes the President to prescribe uniform

policies to implement the statute, this authority has not been exercised. As a result, each department and agency must determine its own policies subject to the statutory criteria. In DOT, the policies and procedures are contained in DOT 2770.9A, Employee Claims Manual.

- b. Conclusiveness of Settlement. DOT's settlement of a claim under the Act is "final and conclusive." Settlement includes full or partial allowance or disallowance. GAO has no jurisdiction to settle claims under the Act (except for GAO employees) as long as the settlement was made in accordance with statutory criteria and DOT 2770.9A. Judicial review has been held to be not available. In addition, a certifying officer will not be held liable for an erroneous determination made by the Department (B-185497, 8/6/76).
- c. Monetary Limitations.
 - (1) With the exception of subparagraph (2) below, the maximum settlement authority is \$25,000 (for claims covering an incidence that occurred before July 28, 1982, the limit is \$15,000, P.L. 97-226, 7/28/82). The claim may be paid in money or the personal property replaced in kind.
 - (2) An amendment to the Act (P.L. 96-519) authorizes the settlement of claims for loss or damage to personal property in a foreign country up to \$40,000 if the loss or damage (1) was incident to an evacuation of United States personnel in response to political unrest or hostile acts, or (2) resulted from acts of mob violence, terrorist attacks, or other hostile acts. Upon payment of such a claim, the United States becomes subrogated to the claimant's rights against the foreign country. Funds may be obligated or expended (under the authority granted by P.L. 96-519) only to the extent provided in advance in an appropriation act.
 - (3) No claim will be accepted for less than \$10 (paragraph 3, Chapter 2, DOT 2770.9a).
- d. Time Limitation. All claims must be presented in writing within two years after the claim accrues unless war or armed conflict intervenes, in which case if good cause is shown, the claim may be presented not later than two years after the cause ceases to exist, or two years after the war or armed conflict is terminated, whichever is earlier.

- e. Forms. Claims will be submitted on DOT F 2700.6, Employee Claim for Loss or Damage to Personal Property. Payment of the claim will be made on DOT F 2700.5, Voucher for Payment Under Military and Civilian Employees Claim Act.
- f. Approving Authority. The authority to settle and pay claims has been delegated to the Assistant Secretary for Administration and Heads of Operating Administrations. The authority may be redelegated to office directors, regional directors, district commanders or other comparable levels and to those individuals who report to the above officials (Paragraph 4, Chapter 1, DOT 2770.9A).
- g. Filing of Claim. The DOT F 2700.6 will be submitted in an original and one copy to the designated claim investigator. Specific instructions are contained in paragraph 5, chapter 2, DOT 2770.9A.
- h. Processing Claim. Detailed procedures for processing claims are included in Chapter 3, DOT 2770.9A. When the designated official approves all or part of the claim, the official will initiate the payment voucher (DOT F 2700.5). Following certification by the claimant and approval by the designated official, the voucher and all supporting documentation will be forwarded to the servicing accounting office. The voucher examiner should determine that the forms (DOT F 2700.5 and 2700.6) have been signed and that the approving official has been delegated such authority. The voucher should then be paid in the normal manner. As noted in paragraph 1b above, the Comptroller General has ruled that a certifying officer will not be held liable for an erroneous determination made by the approving official.

17. IRREGULARITIES AND WITHHOLDINGS UNDER THE DAVIS-BACON ACT.

- a. General. These claims relate to amounts due contractor employees for alleged violations of the Davis-Bacon Act. They must be sent to the GAO for settlement and payment based on reports and evidence furnished by DOT. Account 05X6022 is established within GAO into which collections for wage underpayments will be deposited. Therefore any contract funds forwarded to GAO will be deposited to that account (4 GAO 49).
- b. Administrative Report. The administrative report should include both accounting data and all evidence upon which the determinations and recommendations are based and the written negotiations with the contractor.

- c. Comprehensive Report. Comprehensive reports should be submitted in instances where there is a disregard of obligations to employees. The failure to withhold moneys for wage underpayment, or the fact that wage underpayments have been corrected, does not preclude furnishing factual reports. This report should include the following essentials:
- (1) A description of the nature and extent of irregularities and the evidence establishing their existence;
 - (2) A chronological narration of the facts;
 - (3) A copy of any investigative report and exhibits, including payrolls submitted to the Government and other pertinent evidence;
 - (4) Copies of correspondence showing administrative action with respect to the exaction of compliance and actions taken or explanations proffered by offenders;
 - (5) Any additional information, evidence or recommendations believed to be useful in GAO determinations; and
 - (6) A certification that the wage underpayments have been corrected by the contractor or subcontractor if the contractor has made the payment to the satisfaction of DOT.
- d. Withholding Procedures. Withholding should be made as a matter of insuring that full wages will be paid in questionable instances, prior to collection action, since GAO does not make adjustments with employees until contractors have refused to comply with the determinations. Collection action shall not be taken until it can be shown that all controversies have been finally settled and that the contractors cannot or will not themselves discharge their obligation to the employees in full.
- e. Disposition of Collections. When collections have been made, SF 1093, Schedule of Withholdings Under the Davis-Bacon Act, shall be forwarded with the check payable to the Claims Group, General Accounting Office. The SF 1093 shall be supported by a schedule showing the names of employees, their current address, social security numbers, dates and hours worked, classifications and rates required to be paid, together with

any claims received from the employees. These withholdings from contractors for alleged wage underpayments will be deposited by the General Accounting Office to deposit fund account 05X6022. These amounts will be available for settlement by GAO when making payment to aggrieved employees.

- f. Submission of Contractor Employee Claims. The contractor employee claims should be forwarded to the General Accounting Office, supported by the documentation enumerated in paragraph 17e of this Chapter.
- g. Basic Examination. Verify that:
 - (1) Claim is supported by appropriate documentary evidence and reports.
 - (2) SF 1093 and schedule of underpayments are submitted when collection action has been taken.

CHAPTER 13. SCHEDULING VOUCHERS

SECTION 1. SCHEDULING OF SF 1166

1. GENERAL. Standard Form 1166, Voucher and Schedule of Payments, and SF 1167 (Continuation Sheet) shall be used to authorize payments by the disbursing officer. Each basic voucher will be listed on a voucher schedule with all information required for check issuance purposes. After certification by an authorized certifying officer, the original voucher schedule and the necessary copies will be transmitted to the disbursing center and the basic vouchers will be retained in the accounting office (1 TFRM 4-2025.30). Treasury Department regulations on processing SF 1166's can be found at 1 TFRM 4-2055.
2. ENTERING PAYMENT DUE DATE.
 - a. Background. TFRM Transmittal Letter No. 394 announced that beginning April 1, 1983, the payment due date must be included on all SF 1166 Voucher and Schedule of Payments used for Treasury disbursed vendor payments and all other approved voucher-schedules used for non-Treasury disbursed vendor payments. The payment due date is the date on which Federal payment should be made under the Prompt Payment Act. This is discussed in paragraph 14, Chapter 2 of this manual. If vendor payments are included on voucher-schedules with other types of payments, the payment due date will be shown only for vendor payments.
 - b. Accounting Office Responsibilities. Accounting offices are responsible for computing a due date for each payment to be made, warehousing the payments, and submitting the voucher-schedules to the disbursing center to allow payments to be made as close as possible to the due date. Mail delivery time for receipt of the voucher-schedule by the disbursing centers should be calculated in the overall scheduling process. The term "warehousing" as used by Treasury means holding a payment to permit the payment to be made as close as possible, but not later than, the payment due date, or if appropriate, the discount date.
 - c. Treasury's Payment Dating and Release Policy. Checks without manual enclosures are dated and released the next business day following receipt of the voucher-schedule by the disbursing center. Manual enclosures cause operational problems to Treasury disbursing centers and accounting offices are reminded that payment information can be included on checks which might negate the need for manual enclosures. TFCS payments are dated

and issued according to the date shown in the "TO BE PAID ON (date)" entry that appears at the bottom of the Appropriation Summary Block on the voucher-schedule. An example can be found in Attachment No. 2 to TFRM Bulletin No. 83-14.

- d. Use of Payment Due Date. The payment due date will not be shown on the check or included with the TFCS payment information provided to the receiving financial institution. The payment due date will be used by Treasury to monitor compliance with the Prompt Payment Act. Non-Treasury disbursing offices should periodically monitor the payment due dates to ensure that payments are not disbursed prematurely.

3. ASSIGNMENT OF VOUCHER-SCHEDULE NUMBERS.

- a. General Requirements. Accounting offices will assign individual schedule numbers to each SF 1166 processed in its accounts. These numbers will be considered to be the official document number and will be used for all accounting and auditing purposes. Numbers shall run consecutively for each fiscal year. Accounting offices may request disbursing centers to place voucher-schedule numbers on checks if such information is necessary to their internal operating requirements, otherwise such numbers are not required to be placed on checks.
- b. Transportation Voucher-Schedule. A separate series of voucher-schedule numbers, prefixed by the letter "T" will be assigned by accounting offices to voucher-schedules covering transportation charges (including related certificates of settlement). Numbers shall run consecutively for each fiscal year.
- c. Disbursing Center Voucher Numbers. Disbursing center voucher numbers are not required on voucher-schedules processed by disbursing centers, except for transportation vouchers. The reference or document number assigned by the accounting office will be the only document number required. Such numbers will be considered as the official number of the document and all references to accounting documents will relate or cite the number assigned by the accounting office. The one exception applies to voucher-schedules relating to payments for transportation services. The disbursing center will assign a D.O. voucher number to each SF 1166 used for making payments for transportation services.

4. PREPARATION. Prepare SF 1166 in an original and at least two copies, except that for transportation payments, prepare an original and three copies, and for no-check vouchers prepare an original only. In preparing the schedule the following basic procedure will apply:

a. Prepare Separate SF 1166 for:

(1) Transportation vouchers:

- (a) Payable in U.S. dollars.
- (b) Payable in foreign currency. (Requires an additional copy of SF 1166.)
- (c) "No check" vouchers requiring no action by the disbursing office.

(2) Other than transportation.

- (a) Payroll vouchers.
- (b) Travel vouchers.
- (c) Vouchers payable in foreign currency. (Requires an additional copy of the SF 1166.)
- (d) "No check" vouchers requiring no action by the disbursing office.
- (e) TFCS payment vouchers.

Note: Beginning October 1, 1983, agencies will be required to use the TFCS for making Treasury disbursed vendor payments in excess of \$25,000 (See paragraph 8, TFRM Bulletin No. 83-14).

(f) All other vouchers.

- b. Insert in the proper space on the SF 1166 the sheet number, schedule number, office, location, and station identification code.
- c. Complete the appropriation summary block to show opposite the appropriation symbols the total amount chargeable to each appropriation involved.

- d. Insert the basic voucher number in the "Voucher No." column for transportation vouchers only. Use of this column for other than transportation vouchers is optional, depending on the needs of the accounting office.
- e. Insert in the "payee, etc." column, using UPPER CASE letters, the name and address (including ZIP code) of the payee. See paragraph 11 of this Chapter for check identification information that may be entered in this space. For a sample completed SF 1166, See Appendix No. 1 to 1 TFRM 4-2000.
- f. The payment due date for vendor payments will be shown as follows:
 - (1) OCR processed voucher-schedules. Enter the payment due date one space below the last line of the payee information in block 16 and enter four question marks (????) in block 17 on the same line as shown in the following example (also see Attachment No. 1 to TFRM Bulletin 83-14):

AIR PRODUCST & CHEMICALS	DEPT 832
PO BOX 1582	WASH DC 20013
DUE DATE 4/6/83	????

Failure to enter the four question marks as shown will result in rejection of the OCR processed voucher-schedule. Detailed instructions for the preparation of OCR voucher-schedules are contained in the OCR Preparation Manual published by Treasury's Division of Disbursement, BGFO.

- (2) TFCs payment voucher-schedules. Enter the payment due date on the next line following the last line of the payee information as shown in the following example (also see attachment No. 2 to TFRM Bulletin 83-14):

ABC NATIONAL BANK
DETROIT MICHIGAN
0720-0303-7
(8844874) HEARTLAND CONST CO
CONST FUND TRUSTEE ACT
DUE DATE 4/6/83

- (3) Voucher-schedules for non-Treasury disbursing offices. The payment due date for vendor payments will be shown on all vendor-schedules.

- g. On each page list the greatest number of items which normal spacing requirements permit. Schedule the maximum number of items on each SF 1166 without regard to appropriation.
 - h. Insert in the "Amount" column opposite the payee's name the amount approved for payment. The grand total in the amount column on the first page of the schedule must include items listed on continuation sheets and agree with the total charge to all appropriations in the appropriation summary block.
 - i. For more detailed information on entering data on the voucher-schedules, see 1 TFRM 4-2055.35 and 2575 (for TFCS payments).
 - j. Payments from SF 1166-EDP, a computer generated version of SF 1166 used as supporting documentation for check-issue media submitted on magnetic tapes, are provided for in 1 TFRM 4-2060.
5. PLACING PAID LEGEND ON VOUCHERS. To prevent duplicate payments prominently stamp, mark, or perforate basic vouchers, invoices, and principal supporting documents with a paid legend when scheduled and certified for payment. If the principle supporting document consists of a listing or a large number of documents, place the paid legend only on the first page.
6. EXAMINATION AND CERTIFICATION. An authorized certifying officer shall execute the certification for payment provided on the SF 1166. Before entering his/her signature, the authorized certifying officer should verify that the following are correctly shown on SF 1166:
- a. The heading of the form (office, location, and D.O. symbol).
 - b. The appropriation summary (it must agree with the total of individual supporting vouchers).
 - c. Basic voucher numbers for transportation vouchers.
 - d. The payee's name and address.
 - e. The payee's identification numbers, such as payee account number, invoice number, etc.
 - f. The amount due each payee.
 - g. The payment due date for each vendor payment.
 - h. Grand total.

7. SCHEDULING NO-CHECK VOUCHERS. Vouchers for which no checks are to be issued to the payee will be assigned voucher numbers, as other disbursement vouchers, and scheduled in the following manner:
 - a. Vouchers from which deductions are made will be scheduled with all other disbursement voucher-schedules submitted to disbursing centers with the notation "No-Check" opposite the voucher deduction in the "D.O. Check No." column.
 - b. Vouchers requiring no action by the disbursing center will be scheduled separately. Such schedules will be headed plainly as "No-Check Vouchers" and will not be submitted to the disbursing center. They will be filed with paid schedules.
8. CONSOLIDATION OF INVOICES. Multiple invoices or bills payable to one vendor at one office or place of business may be consolidated into one payment to reduce the number of vouchers prepared and checks issued when the due dates for the multiple bills or invoices are the same. Payment in this manner must be agreeable to the vendor.
9. SCHEDULING TRAVEL ADVANCES. An abbreviation of the notation "Travel Advance per Authorization No. _____, Dated _____" will be entered in the voucher number column of the voucher-schedule. When the travel advance payment is to be made by an imprest fund cashier, the traveler will submit a properly approved SF 1038, Advance of Funds Application and Account, to the cashier for the advance payment.
10. TRANSPORTATION VOUCHERS.
 - a. General. The procedures for processing transportation vouchers can be found in 41 CFR 101-41.8. Vouchers covering charges for intracity transit services; for local storage, drayage, and hauling services; or for small shipments not procured with GBL's will not be handled as transportation vouchers. These shall be listed on voucher-schedules covering payments for other than transportation charges.
 - b. Enclosures or Inserts With Treasury Checks. Generally, the tear off slips from the related basic transportation vouchers shall accompany the SF 1166 to the disbursing center for forwarding to the carrier-payees with the payment check.

- c. Identifying Vouchers. Enter the voucher number on the SF 1166 in the "Voucher No." column opposite the carrier's name. If two or more vouchers for one carrier are combined into one payment, the voucher number of each voucher must be listed on the schedule.
- d. Maintaining Files for Forwarding to GSA. An accomplished copy of the schedule will be returned to the accounting office, after checks are drawn by the disbursing officer. Place this accomplished copy and the original of the carrier's voucher in a temporary file after recording the disbursing officer's voucher number in the "DOVOU" block, the name or symbol of the disbursing officer and the date on which payment was made in the "Paid by" block of each voucher, if not already inserted by the disbursing center.
- e. Forwarding Transportation Vouchers and Supporting Documents to GSA. Each month after the Statement of Transactions has been received and reconciled, basic documents covering payment to carriers for passenger and freight transportation services, supported by accomplished carbon copies of related voucher-schedules, will be forwarded promptly to the General Services Administration, as follows:
 - (1) The accomplished carbon copy of the voucher schedule will be placed on top and be securely attached to the related basic vouchers, however, the basic vouchers and related schedules are not to be stapled or otherwise attached by any permanent fastening device, but may be kept together by the use of cord or tape.
 - (2) For those vouchers covering automatic payment of carrier charges for passenger transportation services, the following will be sent to GSA:
 - (a) a copy of the SF 1166;
 - (b) the original of the GTR (SF 1169);
 - (c) a copy of the ticket listing; and
 - (d) the agent's coupon (air service) or auditor's coupon (AMTRAK) of each ticket on the listing (41 CFR 101-41.206).

- (3) Each shipment of transportation vouchers will include in package number 1 an original and one copy of SF 1186, Transmittal for Transportation Schedules and Related Basic Documents, together with an addressed return envelope. An SF 1186 will be submitted to GSA each month whether there are any disbursements for transportation services or not. Transportation documents withheld or delayed will be properly identified and submitted under separate cover and in no case filed and shipped with documents for subsequent periods.
- (4) The shipping cartons used for transmission to the GSA must not exceed 15" long, 12" wide, and 10" deep. These are the dimensions specified under national stock number 8115-00-290-3379 for the shipment of documents to Federal Record Centers.
- (5) Packages will be addressed on the cover or container:

FROM: Name and address of the transmitting accounting office
Period of account
Disbursing symbol number
Package number _____ of _____

TO: General Services Administration (BWAA/C)
Chief, Paid Voucher Receiving Unit
Room GS-B-336, 18th and F Streets, N.W.
Washington, D.C. 20405

11. DISCOUNT VOUCHERS. Vouchers involving discounts are to be listed on a separate voucher-schedule from other types of payments. A large rubber stamp impression (preferably 24-point) and reading as follows should be placed along the left-hand edge of the non-OCR Voucher-Schedule:

Discount Date Expires _____

On Optical Character Recognition (OCR) format voucher-schedules, the discount stamp may be placed only in the Appropriation Summary block; otherwise the voucher-schedule will be rejected by the scanning equipment.

12. CHECK IDENTIFICATION. To avoid unnecessary correspondence, payee payment identification must be provided as follows:

- a. Each accounting office should establish the capability of identifying checks through information inscribed on the checks by obtaining agreements with grantees, vendors, etc. The agreements on the information to be inscribed should be in writing. When this method is used the operating administration's initials and the identifying numbers will be recorded below the name and address on the SF 1166 as follows:

XYZ COMPANY
1581 VINE STREET
WASHINGTON DC 20599

FAA Invoice #1886, 1887

Invoice numbers or other data identifying the payment should be typed on the second succeeding line following the last line of the address as long as it does not overlap into the next payee space. Otherwise, it may be indented slightly and started on the next line following the last line of address to avoid overlapping into the next payee space (1 TFRM 4-2055.35a).

- b. In the absence of a written agreement, check identification should not be shown on the SF 1166; instead, appropriate enclosures such as tear off slips or copies of the invoices designed to identify the payee's account should be furnished. Enclosures should accompany the related SF 1166 for transmittal to the payee along with the check. Where a single check is to be issued combining the payment of two or more invoices, the related tear-off slips or invoices should be stapled together.

13. FOREIGN CURRENCY VOUCHERS. Treasury Department instructions on foreign currency payments can be found at 1 TFRM 4-2075. Accounting offices scheduling foreign currency payments will submit the SF 1166 (original and three copies) to the Treasury disbursing center servicing the accounting station. The voucher-schedules are restricted to the issuance of one type of foreign currency per SF 1166. Accounting offices must insert a payment due date within the appropriation summary box on each SF 1166. To meet the time frames established

by the Prompt Payment Act, SF 1166's scheduled for foreign currency payments must be submitted so as to be received by Treasury disbursing centers 20 days prior to the payment date indicated on the SF 1166's. Failure to do so could possibly result in the loss of cash discounts. Treasury disbursing offices will forward the SF 1166's to the Chief Disbursing Officer. After review, they will be forwarded to the foreign country for payment.

- a. Vouchers Payable in Foreign Currency. Payment should be scheduled in the currency billed unless the payment is for a payee located in a restricted currency country or excess or near-excess currency country (OMB periodically publishes listings of countries in which the foreign currency holdings of the U.S. Government are excess or near-excess). Also excepted are vouchers requesting payment in Panamanian Balboas, which should be scheduled in U.S. dollars. Instructions on scheduling payments in foreign currency are detailed in Appendix No. 2 to 1 TFRM 4-2000. These instructions should be reviewed before preparation of the SF 1166.
- b. Vouchers Payable in Either U.S. Dollars or Foreign Currency. If the invoice allows payment in either U.S. dollars or foreign currency, the SF 1166 will be scheduled for payment in U.S. dollars.
- c. Distribution of SF 1166's. The Treasury disbursing center will transmit the original and two copies of the SF 1166 to the Chief Disbursing Officer who, in turn, will transmit the original and one copy of the SF 1166 to the appropriate U.S. Disbursing Officer overseas. The U.S. Disbursing Officer will retain the original SF 1166 and send the copy reflecting paid information with the monthly Statement of Transactions to the applicable DOT accounting office.

SECTION 2. PAYMENTS TO GSA

1. GENERAL. The General Accounting Office has stated that billings from GSA shall be paid in accordance with regulations issued by GSA (7 GAO 8.5). GSA's regulations are at 41 CFR 101-2.1. GSA Form 789, Statement, Voucher, and Schedule of Withdrawals and Credits, is used by the General Services Administration to bill agencies for materials and services which are not presently covered under the SIBAC billing system. The GSA Form 789 will not be sent to the Treasury Disbursing Center, but will be processed following the procedures prescribed by Treasury for expenditure transactions not requiring payment by check found at 1 TFRM 2-2540 and outlined in Section 3 of this chapter. If an account is in dispute and settlement cannot be concluded, GSA will submit the disputed bill with supporting documents to the General Accounting Office for settlement. GSA may also use SF 1081 to schedule other types of payment, such as special work requests not covered under SIBAC procedures. Payment of materials and services covered under the SIBAC system (see Chapter 10) is accomplished on TFS Form 7306, Paid Billing Statement for SIBAC Transactions, as described in Treasury Fiscal Requirements Manual, Part VI, Chapter 5000 (1 TFRM 6-5000).
2. GSA FORM 789. Enter the following information on GSA Form 789 when received from GSA.
 - a. Enter your voucher number in the space "BUREAU VOUCHER NUMBER."
 - b. In the block "Withdraw From", enter the agency address and the ALC of the paying office.
 - c. In the block "Appropriation or Fund," enter the appropriation symbol(s).
 - d. In the column "Amount", enter opposite the appropriation symbol(s) the total amount(s) chargeable to each appropriation. Total amount of this column must agree with the amount shown in "Total Amount Due on This Statement."
 - e. The authorized certifying officer signature and date.
 - f. Process the GSA Form 789 in the same manner as an SF 1081 (see Section 3).

3. ADJUSTMENTS.

- a. \$25 or Less. Adjustments are not required and should not be requested or made whenever the difference involved resulting from over or under deliveries or over or under charges is \$25 or less for any line item on a bill or for any bills more than one year old from the date of billing. This should not be construed to eliminate billings and payments for requisitioned items of \$25 or less. (This does not apply to reimbursable commercial toll charges in the Federal Telecommunications Fund.)
- b. Credit Adjustments. Credit adjustments for authorized return sales will be issued by GSA upon receipt of the returned material. The credit will be included on the next bill issued.

SECTION 3. EXPENDITURE TRANSACTIONS
NOT REQUIRING PAYMENT BY CHECK

1. GENERAL. This section deals with "no-check" transactions between two or more different appropriations, funds, and receipt accounts classified as expenditure transactions. The term "expenditure transaction" as used in this section means withdrawal from one account and credit to another account when both sides of the transaction will be recorded in the central accounts of the Bureau of Government Financial Operations (BGFO) as an expenditure and repayment or receipts. Treasury checks will not be used as a payment method between agencies that can accept a transfer by using SF 1081, Voucher and Schedule of Withdrawals and Credits. Treasury Department regulations in this area can be found in 1 TFRM 2-2540. This section does not address transactions under the SIBAC System (see paragraph 2, Chapter 10).
2. EXPENDITURE TRANSACTIONS/ADJUSTMENTS ENTIRELY WITHIN AN ALC. Optional Form 1017-G, Journal Voucher, will be used to effect expenditure withdrawals and credits or adjustments between appropriation, fund, and receipt accounts when the transactions affect only the accounts of the same ALC. These transactions will be included in the SF 224, Statement of Transactions, provided to the BGFO. The journal voucher will not be sent to the BGFO.
3. EXPENDITURE TRANSACTIONS/ADJUSTMENTS BETWEEN AGENCIES WITHIN THE TREASURY DISBURSING AREA. The SF 1081, Voucher and Schedule of Withdrawals and Credit, is prescribed by the Treasury Department for use as a combined billing and payment document for interagency payment transactions by agencies within the Treasury disbursing area (i.e., agencies that report on SF 224) to process expenditure withdrawals and credits between appropriation, fund, and receipt accounts. A sample of SF 1081, revised September 1982, can be found in Appendix 1 to 1 TFRM 2-2500. When an SF 1081 is appropriate for use, neither an SF 1166 nor a Treasury check will be used to effect the transaction.
4. PREPARATION AND TRANSMITTAL OF SF 1081. The SF 1081 is a four-part, prenumbered accounting document. The form will be initiated by the billing agency and prepared in accordance with the instructions in 1 TFRM 2-2540.50. Details or reasons for the bill will be indicated on the SF 1081 or supported by required documents. The SF 1081 will be completed by indicating a billing office contact. The billing agency will send the original, duplicate copy, and triplicate copy to the customer. Billing documents must be received no later than the 22nd calendar day to insure payment in the accounting month. Billings received after the 22nd calendar day will be processed in the next accounting month.

5. RESPONSIBILITIES OF CUSTOMER AGENCY. The voucher examiner will verify the transaction as being proper for payment. The SF 1081 will be completed by entering the voucher number, the appropriation to be charged, the accounting month in which the transaction will be reported, and the amount which must agree with the billed amount. If proper for payment, the SF 1081 will be given to the certifying officer for signature. The triplicate copy must be returned to the billing office to be used in reconciliation. The customer office will keep the original and duplicate copies of the SF 1081. No copies of the SF 1081 will be sent to BGFO. Payment will be completed by reporting both the charge to the appropriation and the credit to the billing office's appropriation in Section I of the SF 224. Both the charge and credit amounts must agree and the transaction must be reported in the month indicated by the customer on the SF 1081. By certification of the SF 1081, the customer agency will insure that the transaction has been completed by reporting to BGFO on the SF 224.
6. BATCH TRANSMITTAL OF PAID DOCUMENTS. When multiple SF 1081 documents are to be transmitted, the completed documents should be batched by using TFS Form 5908, Journal Voucher Batch Transmittal (see appendix 1 to 1 TFRM 2-2500). You should insure that the batched documents are sent to the accounting office designated on the SF 1081.
7. DISPUTES AND ERRONEOUS TRANSACTIONS.
 - a. Incorrect Billing. Accounting offices that receive SF 1081 billing documents that are determined to have been sent in error to the wrong customer, should contact the billing office and expedite the return of the documents to the billing office.
 - b. Dispute of Partial Billed Amount. When an SF 1081 is received and contains items that cannot be immediately verified or are in dispute, the accounting office must complete the transaction as billed and file a claim with the billing office. The accounting office will prepare a new SF 1081 citing the original document and send it to the billing office. The billing office will generate credit to your appropriation on the billing office's SF 224. At no time will the document received by a customer be altered.
 - c. Dispute on Total Bill. If the total amount of the bill received is disputed, the accounting office should contact the billing agency to determine the nature of the bill. If it is an error, the bill should be returned to the billing agency.

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES

1. DEFINITIONS. For the purpose of this appendix, the following definitions apply:

a. Voucher. An invoice or similar document requesting disbursement, together with all other documents (generally a purchase order and a receiving report) necessary to support the determination made in the examining process.

b. Error Amount. Total gross dollar amount of errors within a sample (overclaims plus underclaims).

c. Dollar Error Rate. The percentage arrived at by dividing the total error amount by the total value of the vouchers examined.

d. Statistical Sampling in Voucher Examination. The technique of examining a sample of a universe of like vouchers for making rational decisions with respect to the quality of the universe of vouchers and the need for correcting deficiencies in the vouchering system.

e. Savings Using Statistical Sampling. The cost of a 100% audit less (1) the cost of preexamination procedures, plus cost of auditing the sample; and (2) the cost of errors in vouchers not audited.

2. BACKGROUND. Public Law 88-521 and Title I of Public Law 93-604 stipulate the following:

a. When the agency head determines that economies will result, he may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers.

b. No certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedures, PROVIDED that such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General.

c. Nothing contained in these laws shall affect the liability or authorize the relief of any payee, beneficiary, or recipient of any illegal, improper, or incorrect payment, or relieve any certifying or disbursing officer, the head of the agency, or the Comptroller General of responsibility to pursue collection action against any such payee, beneficiary or recipient.

d. The General Accounting Office was delegated the authority to establish maximum amounts under which statistical sampling procedures may be used. Under this authority, Comptroller General Memorandum B-153509, issued November 20, 1980, established the amount at \$750.

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES (CONT.)

3. REQUESTS FOR INFORMATION. Operating accounting offices having any questions concerning the use of statistical sampling procedures in examining vouchers for payment shall contact the Office of Accounting, Fiscal Standards Branch, AAA-430.

4. APPLICABILITY OF \$750 LIMITATION. Statistical sampling procedures are limited to vouchers for amounts of less than \$750. The dollar limitation is determined as follows:

a. For vouchers supporting payments to vendors, use the net amount after deducting discounts, allowances, etc.

b. For employees' travel vouchers, use the gross amount before deducting advances.

c. For individual vouchers, which may exceed \$750 but which represent numerous separate transactions each of less than \$750 of a similar kind (e.g., billings for gasoline credit card purchases, imprest fund cashiers' reimbursement vouchers, charge account billings of numerous purchases), each invoice, receipt, or delivery ticket covering an individual purchase is considered as a separate voucher in counting the volume of vouchers, in selecting the sample to be examined, and in applying the \$750 limitation.

5. AUTHORIZATION FOR USE OF STATISTICAL SAMPLING. Statistical sampling procedures are authorized for examination of vouchers when all of the following conditions are met:

a. A feasibility study, conducted in accordance with paragraph 6 below, demonstrates: (1) that a net saving will result from the use of sampling methods, and (2) the indicated probable error rates are within tolerable maximums.

b. Advance approval is obtained from the Office of Accounting, Fiscal Standards Branch, AAA-430. This approval will be based on the results of the feasibility study. Requests for approval shall be supported by fully documented results of the study.

c. Approval by AAA-430 to use statistical sampling methods carries with it the requirement to adhere without deviation to the procedures in paragraph 7 of this appendix.

6. FEASIBILITY STUDY PROCEDURES. A feasibility study will be conducted and a survey report prepared by each operating accounting office in accordance with instructions outlined below. The study must cover all vouchers of less than \$750 processed during a 1-month period to be selected by the accounting office.

a. Separate all vouchers of less than \$750 into two categories, travel vouchers and all others.

b. Each category must be processed in accordance with the following preexamination procedures:

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES (CONT.)

(1) Match the invoice with the purchase order of contract; match the claim for reimbursement with the travel order.

(2) Match the invoice with the receiving reports.

(3) Verify invoice or travel claim administrative approval when required.

(4) Enter or verify accounting classification data.

These are the minimum steps which must be applied to ALL vouchers in accordance with GAO standards for statistical sampling procedures. This review SHALL NOT include any of the examination steps set forth in paragraph 6c below.

c. Employees other than those who do the preexamination processing shall examine each voucher as follows:

(1) Verify quantities, prices, and arithmetic computations.

(2) Review for compliance with contract, purchase order, or other authorization requirements.

(3) Review for legality and compliance with administrative regulations.

It is important to completely separate the functions and the time of the two individuals or groups, and to avoid duplication of one group's functions by the other. This is essential to identify the potential saving from adoption of sampling procedures.

d. As each group of vouchers is completed, the employee(s) involved will record the following information for the group.

(1) Number of vouchers processed.

(2) Workhours expended, kept separately for preexamination, and voucher examination procedures.

(3) Cost of each phase. Base cost on the average hourly rate of the voucher examination unit.

(4) The amount of dollar errors broken down by underclaims and overclaims.

e. Prepare a summary analysis of the results of the feasibility study in accordance with the format on figure 1.

f. Submit a copy of the feasibility study and a recommendation on the use of statistical sampling techniques to the Office of Accounting, Fiscal Standards Branch, AAA-430.

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES (CONT.)

g. If the feasibility study discloses error rates in excess of tolerances, or if no savings result from the use of sampling procedures, aggressive efforts should be made to eliminate the unfavorable features or to reduce errors, whichever is indicated. After a reasonable time lapse (4 to 6 months), another feasibility study should be made to determine if statistical sampling is then warranted.

7. STATISTICAL SAMPLING PROCEDURES. When statistical sampling procedures are authorized by the Office of Accounting, Fiscal Standards Branch, AAA-430, vouchers will be examined in accordance with the procedures outlined below.

a. Preexamination. Follow the procedures outlined in paragraphs 6a and 6b above.

b. Prompt Processing. Use of sampling techniques shall not be allowed to compromise the FAA's policy of prompt payment of vouchers. Generally, all vouchers received each day should be grouped and processed that day, or no later than the second day following receipt.

c. Determining the "Sample." Determine whether the normal or increased sampling rate is to be used in accordance with subparagraphs 7d and 7e below. Determine the specific vouchers for full examination (the steps outlined in paragraph 6c above) by the systematic random sampling method. This method relies on the random selection of a starting number. Determine the starting number for each group to be examined by drawing a number from a container holding numbers 1 through 10, or 1 through 20, depending on the predetermined sampling rate. The selection of the starting number must be conducted in a manner to assure true random selection. After the drawing, either each 10th or each 20th voucher will be examined completely. Examples: if the normal sampling rate is to be used and the random start number is "6", examine vouchers numbered 6, 26, 46, 66, etc., (each 20th voucher). It is not necessary to mark vouchers to be sampled with the sequential numbers. They should be either extracted from the group or clearly identified before the examination is begun. The minimum sample size under this procedure must be 10 vouchers. If 10 or more vouchers cannot be drawn, then the entire group must be examined.

d. Sampling Standards. The following standards are prescribed for statistical sampling:

(1) Travel vouchers - the dollar error rate must be consistently below 10%, and savings must result from the use of statistical sampling.

(2) All other vouchers - the dollar error rate must be consistently below 3%, and savings must result from the use of statistical sampling.

(3) Sampling Rates. The sampling rates for all types of vouchers are as follows:

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES (CONT.)

(a) Normal rate - 1 out of 20.

(b) Increased rate - 1 out of 10.

(3) Initial Use of Normal Rate. Use the normal rate initially for all vouchers.

(4) Change of Rate During the Month. If, during the month, there is an indication that the dollar error rate is excessive to prior experience or savings are not achieved, and the normal sampling rate is being used, the increased sampling rate should be instituted for the remainder of the month.

e. Monthend Procedures. At the end of each calendar month, it will be necessary to determine if statistical sampling may be continued in the ensuing month, and if so, the sampling rate to be used. This will be accomplished as follows:

(1) Summarize Examined Vouchers on FAA Form 2750-1, Voucher Sampling Record, (figure 2) for each category.

(2) Determine the percentage of dollar errors to the total dollars subject to statistical sampling procedures.

(a) Travel vouchers. If the dollar error rate is less than 5.0% and savings are resulting, the normal sampling rate will be used in the ensuing month. If the dollar error rate is between 5.0% and 10.0% and savings are resulting, the increased sampling rate will be used. If the dollar error rate is more than 10% or no savings result from sampling, a 100% examination will be resumed.

(b) Other vouchers. If the dollar error rate is less than 1.5% and savings result, the normal sampling rate will be used in the ensuing month. If the dollar error rate is between 1.5% and 3.0% and savings result, the increased sampling rate will be used. If the dollar error rate is more than 3.0% and no savings result, a 100% examination will be resumed.

f. Restoration of Statistical Sampling. When 100% examination procedures have been instituted pursuant to an excessive error rate or lack of savings, statistical sampling procedures may not be resumed for travel vouchers until the dollar error rate for two successive months is less than 10% and savings result, or less than 3% for other vouchers if savings result. When the dollar error rate permits a resumption of sampling procedures, the increased sampling rate must be used during the first month. If the result for that month is a dollar error rate of less than 5% for travel vouchers, or less than 1.5% for other vouchers, and savings result, the sampling rate may be reduced to the normal rate for the ensuing month.

g. Documentation. Each group of vouchers and each voucher examined will be identified:

APPENDIX 2. VOUCHER EXAMINATION STATISTICAL SAMPLING PROCEDURES (CONT.)

(1) Assign a consecutive number to each group of vouchers; begin with "T-1", for travel vouchers and with "O-1" for other vouchers. Begin with new series of numbers each fiscal year. This is in addition to any existing numbering system.

(2) Stamp each voucher that is examined with a stamp or facsimile as follows:

E X A M I N E D		
Batch Number	Date	Exam. Init.

(3) Prepare FAA Form 2750-1, Voucher Sampling Record, as illustrated in figure 2 for each group of vouchers.

h. Review of Prior Vouchers. Certain types of errors discovered in the sampling process may indicate a need to review some prior unexamined vouchers. Examples of this situation are:

(1) Travel Vouchers. Review previous unexamined vouchers of the individual involved for the current fiscal year when sample examination discloses errors which appear to be excessive in value, deliberate, or repetitive.

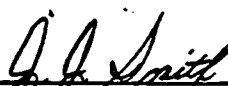
(2) Other Vouchers. Review previous unexamined vouchers submitted under the same purchase order or contract, or by the same vendor when sample examination discloses errors that appear to be excessive in value, deliberate, or repetitive.

8. SCHEDULING VOUCHERS FOR PAYMENT. Statistical sampling voucher batches should be processed and scheduled for payment separately from other vouchers for later identification and audit purposes. These batches should be clearly marked to indicate that the vouchers were examined by statistical sampling. The batch number should be placed on each voucher, unexamined as well as examined.

9. ANALYSIS OF SAMPLING. Prepare a monthly analysis of vouchers examined on the statistical sampling basis in the format used for the feasibility study illustrated in figure 1. The analysis is intended to provide information to permit continuous evaluation of the system and the determination of approximate savings. After local review, the analysis should be filed and retained for site audit and reference purposes.

FIGURE 1. FORMAT FOR FEASIBILITY STUDY

1. Total vouchers	290
2. Total claimed value of item #1	\$41,014.31
3. Vouchers selected for 100% audit (sample)	25
4. Total value of vouchers audited	\$3,225.91
5. Overclaims	\$64.36
6. Underclaims	\$21.31
7. Audit cost of sample per voucher:	
a. Sorting Time	- 2.0 hours
Sampling Vouchers	- 5.0 hours
100% Audit of 10% Sample	- 12.5 hours
Logs and Report Preparation	- 2.0 hours
	<u>21.5 hours</u>
21.5 hours x pay rate \$8.55 =	\$183.82
b. $\$183.82 \div 25 =$	\$7.35
8. Cost of 100% audit 145 hours x \$8.55	\$1,239.75
9. Average error amount for vouchers audited	
$\$64.36 - \$21.31 = \$43.05 \div 25 =$	\$1.72
10. Savings using sampling:	
a. Cost of 100% audit	\$1,239.75
b. Cost of 100% audit of sample	-\$183.82
c. Cost of errors in vouchers not audited	
$290 - 25 = 265 \times \$1.72$	<u>-\$455.80</u>
	\$600.13
11. Saving as a percent of 100% audit cost	
$\$600.13 \div \$1,239.75 =$	48%
12. Gross dollar error rate $\$21.31 + \$64.36 \div \$3,225.91 =$	2.65%

VOUCHER SAMPLING RECORD		1. DATE EXAMINED SEPT. 17, 1962	2. VOUCHER GROUP NO. C-28		
		3. TOTAL VOUCHERS IN GROUP 127	4. SAMPLE EXAMINING TIME HRS. - MIN. 30		
A. RANDOM SAMPLE STARTING NUMBER 4					
B. TYPE OF VOUCHER		EXAMINING RATE USED			
(1). TRAVEL		NORMAL EVERY 30TH	INCREASED EVERY 10TH		
(2). OTHER		<input checked="" type="checkbox"/> EVERY 20TH	EVERY 10TH		
C. VOUCHERS SAMPLED					
SEQUEN- TIAL NUMBER (A)	NAME OF PAYEE (B)	REFERENCE NUMBER (C)	AMOUNT APPROVED FOR PAYMENT (D)	O U	NET AMOUNT OF OVER/UNDER CLAIM (E)
4	R + S NEWS Co.	1468	\$ 87.29	0	\$ 1.20
24	Duff Oil	148762	5.28		
44	Duff Oil	278697	6.47		
64	Duff Oil	152347	4.29		
84	Southern Pilot Co.	6-587	12.65		
104	Three Utilities	C-4986	27.52		
124	Green & Smith	5278	14.68		
TOTAL AMOUNT OF OVERCLAIMS				O \$	1.20
TOTAL AMOUNT OF UNDERCLAIMS				U \$	—
7	COUNT	VOUCHERS	VALUE	\$158.18	
REMARKS/ACTION TAKEN R + S invoice, 10¢ over pricing on unit cost of item 5. Paid at correct amount.					
 EXAMINER'S SIGNATURE					